

**Testimony of
Robert B. Hevert**

1 **DELMARVA POWER & LIGHT COMPANY**
2 **TESTIMONY OF ROBERT B. HEVERT**
3 **BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION**
4 **CONCERNING AN INCREASE IN ELECTRIC BASE RATES**
5 **DOCKET NO. 11-528**

6
7 1. Q: **Please state your name and position and business address.**

8 A: My name is Robert B. Hevert. I am President of Concentric Energy
9 Advisors, Inc. (Concentric). My business address is 293 Boston Post Road
10 West, Suite 500, Marlborough, Massachusetts 01752.

11 2. Q: **On whose behalf are you submitting this testimony?**

12 A: I am submitting this testimony on behalf of Delmarva Power & Light
13 Company (Delmarva or the Company), an indirect wholly-owned operating
14 subsidiary of Pepco Holdings, Inc. (PHI).

15 3. Q: **Please briefly outline your responsibilities as President of Concentric.**

16 A: In addition to providing consulting services, my responsibilities at
17 Concentric include the day-to-day management of the firm and, along with
18 other senior officers, the development of the firm's resources and
19 capabilities, the development of new business and clients, and the assurance
20 of the quality and control of services delivered to our firm's clients.

21 4. Q: **Please describe your educational background.**

22 A: I hold a Bachelors degree in Business and Economics from the
23 University of Delaware, and an MBA with a concentration in Finance from

1 the University of Massachusetts. Additionally, I hold the Chartered
2 Financial Analyst designation.

3 5. Q: Please describe your experience in the energy and utility industries.

4 A: I have served as an executive and manager with other consulting
5 firms (REED Consulting Group and Navigant Consulting, Inc.), as well as a
6 financial officer of Bay State Gas Company. I have provided testimony
7 regarding strategic and financial matters, including the cost of capital,
8 before several state utility regulatory agencies, as well as the Federal Energy
9 Regulatory Commission (FERC) on over 80 occasions, and have advised
10 numerous energy and utility clients on a wide range of financial and
11 economic issues, including both asset and corporate based transactions.
12 Many of those assignments have included the determination of the cost of
13 capital for transaction or other valuation purposes. A summary of my
14 professional and educational background, including a list of my testimony in
15 prior proceedings, is provided in Appendix A to my Direct Testimony.

16 6. Q: Please describe Concentric's activities in energy and utility
17 engagements.

18 A: Concentric provides regulatory, financial, and economic advisory
19 services to a large number of energy and utility clients across North
20 America. Our regulatory economic and market analysis services include
21 utility ratemaking and regulatory advisory services, energy market
22 assessments, market entry and exit analysis, and energy contract
23 negotiations. Our financial advisory activities include merger, acquisition

1 and divestiture assignments, due diligence and valuation assignments,
2 project and corporate finance services, and transaction support services. In
3 addition, we provide litigation support services on a wide range of financial
4 and economic issues for clients throughout North America.

5 **I. PURPOSE AND OVERVIEW OF TESTIMONY**

6 **7. Q: What is the purpose of your testimony?**

7 A: The purpose of my testimony is to present evidence and provide a
8 recommendation regarding Delmarva's Return on Equity (ROE) and to
9 assess the reasonableness of its proposed capital structure.¹ My analyses
10 and recommendations are supported by the data presented in Schedules
11 RBH-1 through RBH-12, which I have prepared directly, or which others
12 have prepared under my direction.

13 **8. Q: What are your conclusions regarding the appropriate Cost of Equity**
14 **for Delmarva?**

15 A: My analyses indicate that the Company's Cost of Equity currently
16 is within the range of 10.50 percent to 11.25 percent. Based on the
17 quantitative and qualitative analyses discussed throughout the balance of
18 my testimony, I recommend that the Delaware Public Service Commission
19 (DPSC or the Commission) allow Delmarva the opportunity to earn an
20 ROE of at least 10.75 percent.

¹ Throughout my Direct Testimony, I interchangeably use the terms "ROE" and "Cost of Equity."

1 9. Q: Please provide a brief overview of the analyses that led to your ROE
2 recommendation.

3 A: As discussed in more detail in Section V, in light of recent market
4 conditions, and given the fact that analysts and investors tend to use
5 multiple methods in developing their return requirements, it is extremely
6 important to consider the results of several analytical approaches in
7 determining Delmarva's ROE. In order to develop my ROE
8 recommendation, I therefore applied the Constant Growth Discounted
9 Cash Flow (DCF) model, the Capital Asset Pricing Model (CAPM), and
10 the Bond Yield Plus Risk Premium approach. As discussed later in my
11 testimony, it is important to consider a range of factors, both quantitative
12 and qualitative, in arriving at an ROE determination.

13 In addition to the analyses discussed above, I considered the
14 effects of specific risks and trends on the Company's Cost of Equity,
15 including (1) the Company's comparatively small size, (2) the regulatory
16 environment in which the Company operates, and (3) the Company's
17 proposed capital investment plan. In addition, I have considered whether
18 the Modified Fixed Variable Rate Design (MFV) discussed in the Direct
19 Testimony of Company Witness Santacecilia would have a measurable
20 effect on the Company's Cost of Equity. Finally, I also considered the
21 costs associated with the flotation of common stock in determining the
22 Company's ROE. While I did not make any explicit adjustments to my
23 ROE estimates for those factors, I did take them into consideration when

1 determining where the Company's ROE falls within the range of
2 analytical results.

3 10. Q: How is the remainder of your testimony organized?

4 A: The remainder of my testimony is organized in seven sections. In
5 Section II, I discuss the regulatory guidelines and financial considerations
6 pertinent to the development of the rate of return. Section III briefly
7 describes the current capital market conditions and the effect of those
8 conditions on the Company's Cost of Equity. Section IV explains the
9 criteria and process by which I selected the group of proxy companies
10 used to estimate Delmarva's Cost of Equity. Section V explains the bases
11 and assumptions underlying the quantitative approaches used to estimate
12 the Company's ROE. Section VI provides a discussion of specific
13 business risks and costs that have a bearing on the Company's Cost of
14 Equity, Section VII discusses the Company's proposed capital structure,
15 and Section VIII summarizes my analyses, conclusions, and
16 recommendations.

17 II. REGULATORY GUIDELINES AND FINANCIAL CONSIDERATIONS

18 11. Q: Please describe the guiding principles to be used in establishing the
19 cost of capital for a regulated utility.

20 A: The United States Supreme Court's precedent-setting *Hope* and
21 *Bluefield* cases established the basis for the current standards for
22 determining the fairness or reasonableness of a utility's allowed ROE.
23 Among the standards established by the Court in those cases are: (1)

1 consistency with other businesses having similar or comparable risks; (2)
2 adequacy of the return to support credit quality and access to capital; and
3 (3) the principle that it is the results that control, rather than the method
4 employed.²

5 **12. Q: Does the Commission precedent provide similar guidance?**

6 **A:** Yes, it does. In Order No. 8011, for example, the Commission
7 stated the following:

8 The requirement of a fair return recognizes that utilities
9 compete for capital with other investments. Accordingly,
10 the return which a utility investor can expect should be
11 commensurate with the returns that could be expected on
12 other comparable-risk investments. See J. BONBRIGHT,
13 A. DANIELSON, and D. KAMERSCHEN, *Principles of*
14 *Public Utility Rates*, at 316 (2d ed. 1988). In keeping with
15 this, the United States and Delaware Supreme Courts have
16 held that the return to a utility should be sufficient to assure
17 confidence in the utility's financial integrity, to maintain its
18 credit, and to attract capital. *Federal Power Commission v.*
19 *Hope Natural Gas Co.*, 320 U.S. 591 (1944); *Bluefield*
20 *Water Works and Improvement Co. v. Public Service*
21 *Commission of West Virginia*, 262 U.S. 579 (1923);
22 *Application of Wilmington Suburban Water Co.*, 211 A.2d
23 602 (Del. 1965). The United States Supreme Court has also
24 instructed, however, that we are "obliged at each step of the
25 regulatory process to assess the requirements of the broad
26 public interest" entrusted to our protection, and that the
27 "end result" of our orders "must be measured as much by
28 the success by which they protect those interests as by the
29 effectiveness by which they 'maintain credit and ... attract
30 capital.'" *In re Permian Basin Area Rate Cases*, 390 U.S.
31 747, 791 (1968) (ellipses in original).³

² Bluefield Waterworks & Improvement Co., v. Public Service Commission of West Virginia, 262 U.S. 679 (1923); Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944).

³ In the matter of the application of Delmarva Power & Light Company for an increase in electric base rates and miscellaneous tariff changes; Final Findings, Opinion and Order No. 8011; PSC Docket No. 09-414 at 112-113.

1 Based on those standards, the consequence of the Commission's
2 order in this proceeding should be to provide the Company with the
3 opportunity to earn an ROE that is: (1) commensurate with returns on
4 equity investments in enterprises having comparable risks; (2) sufficient to
5 ensure the financial soundness of the Company's operations; and (3)
6 adequate to attract capital at reasonable terms, thereby enabling it to
7 provide safe, reliable service. The allowed ROE should enable the
8 Company to finance capital expenditures at reasonable rates and to
9 maintain its financial flexibility over the period during which rates are
10 expected to remain in effect.

11 **13. Q: Is it important for a utility to be allowed the opportunity to earn a**
12 **return that is adequate to attract capital at reasonable terms?**

13 **A:** Yes. A return that is adequate to attract capital at reasonable terms
14 will enable the Company to provide safe, reliable service while
15 maintaining its financial integrity. While the "capital attraction" and
16 "financial integrity" standards are important principles in normal
17 economic conditions, the practical implications of those standards are even
18 more pronounced in the current financial environment. As discussed in
19 more detail in Section III, continued equity market volatility, together with
20 sustained increases in utility debt credit spreads (*i.e.*, the difference in debt
21 yields of utilities with varying credit ratings) have intensified the
22 importance of maintaining a strong financial profile.

1 III. CURRENT CAPITAL MARKET ENVIRONMENT

2 14. Q: How do economic and capital market conditions affect the required
3 cost of capital and required ROE?

4 A: The required cost of capital, including the ROE, is a function of
5 prevailing and expected economic and capital market conditions. During
6 times of capital market instability, risk aversion increases, which causes
7 investors to seek the relative safety of U.S. Treasury debt, resulting in
8 lower Treasury yields. At the same time, current and expected market
9 volatility, as measured by indicators such as the Chicago Board Options
10 Exchange (CBOE) Volatility Index (VIX), tends to increase. A direct
11 result of elevated volatility is a corresponding increase in the risk premium
12 required by investors as compensation for taking on the risks associated
13 with equity ownership.

14 To the extent that observable measures of market instability and
15 risk aversion remain elevated relative to historical norms, it would be
16 incorrect to conclude that the Cost of Equity has materially decreased.
17 While there is little question that the capital market dislocation that began
18 in late 2008 has moderated, recent market instability and investor risk
19 aversion remain at comparatively high levels. That is especially true when
20 viewed relative to the conditions that existed prior to the 2008-09 financial
21 market dislocation.

15. Q: What analysis have you conducted to assess current capital market conditions?

A: As discussed below, I considered several widely-recognized measures of investor risk sentiment, including: (1) incremental credit spreads; (2) market volatility; and (3) the relationship between the dividend yields of the proxy group companies and Treasury yields. Except where noted, I compared current market conditions to the two-year period prior to the 2007-2009 recession (*i.e.*, January 2006 through November 2007), and to the capital market contraction period of 2002-2003. As shown in Table 1, those metrics indicate that current levels of instability and risk aversion are significantly higher than the levels observed prior to the recent recession, and are much closer to the levels experienced during the 2002-2003 capital market contraction.

Table 1: Risk Sentiment Indicators

| | October 31, 2011 ⁴ | Pre-recession (Jan-2006 through Nov-2007) | Jan-2002 through Dec-2003 |
|--|-------------------------------|---|---------------------------|
| <i>Credit Spreads</i> (Moody's Utility Bond Index) Baa-rated bond to A rated bond | 0.57% | 0.25% | 0.46% |
| <i>Market Volatility</i> CBOE VXV and CBOE VIX Futures | 32.68 ⁵ | 14.90 ⁶ | 24.64 ⁷ |
| <i>Dividend Yield Spreads</i> 10-year Treasury to Proxy Group | -1.98% | 0.47% | -1.71% |

⁴ Represents the 90-trading day average as of October 31, 2011, except as noted otherwise.

⁵ Represents the 30-trading day average pricing of six-month forward volatility. Please note that the VIX is a one-month measure of volatility, while the VXV is a three-month measure.

⁶ Represents the average VIX measured from January 2006 to November 2007.

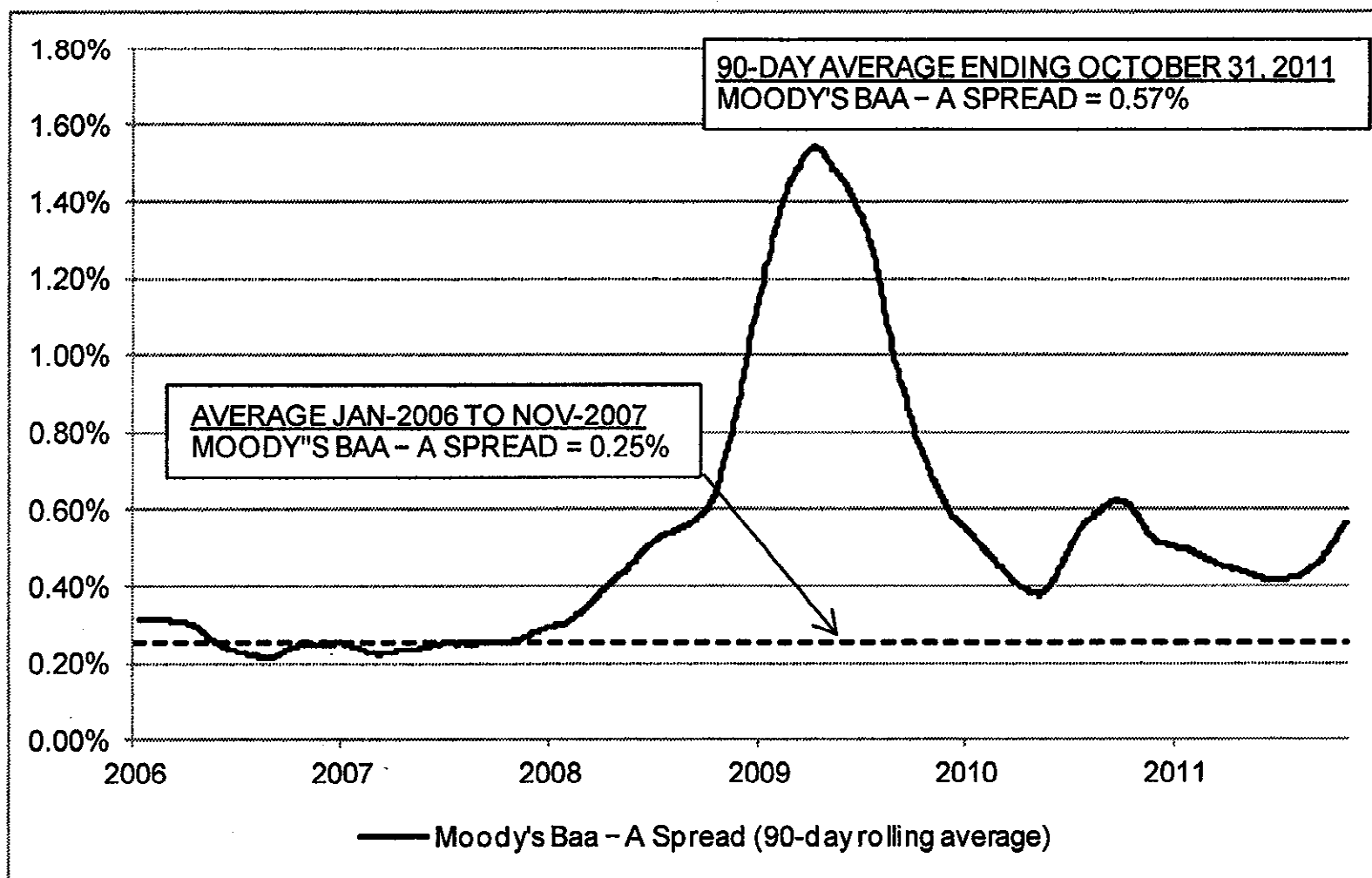
⁷ Represents the average VIX measured from January 2002 to December 2003.

A. Incremental Credit Spreads

16. Q: How have credit spreads been affected by current market conditions?

A: As a preliminary matter, the “credit spread” is the incremental return required by debt investors to take on the default risk associated with securities of differing credit quality. As shown in Table 1 and as Chart 1 demonstrates, the 90-day moving average spread as of October 31, 2011 between the Moody’s Baa-rated utility bond index and the Moody’s A-rated utility bond index is 32 basis points above – or approximately 128.00 percent higher than – the comparable average credit spread immediately prior to the onset of the recent recession.

Chart 1: Moody’s Utility Bond Index Baa-A Credit Spread



1 17. Q: What are the implications of higher credit spreads as compared to the
2 long-term average?

3 A: To the extent that credit spreads have increased, it is an observable
4 measure of the capital markets' increased risk aversion; increased risk
5 aversion clearly is associated with a higher Cost of Equity. Although
6 increased credit spreads have recently coincided with a reduction in the
7 absolute level of utility bond and Treasury yields, that fact does not
8 necessarily imply a correspondingly lower Cost of Equity; as discussed in
9 more detail later in my testimony, there is a clear and well-established
10 inverse relationship between the level of interest rates and the equity risk
11 premium.⁸ Consequently, lower utility bond yields, which are a function
12 of lower Treasury yields, do not necessarily imply a correspondingly
13 lower Cost of Equity, particularly considering that the current level of
14 credit spreads is higher than the long-term average.

15 B. Equity Market Volatility

16 18. Q: What does the equity market volatility suggest about current market
17 conditions and the Company's Cost of Equity?

18 A: A directly observable measure of market volatility is the VIX. The
19 VIX represents the forward-looking (*ex-ante*) implied (one-month)
20 volatility of the S&P 500 Index and as such, is an observable measure of

⁸ Robert S. Harris and Felicia C. Marston, Estimating Shareholder Risk Premia Using Analysts' Growth R. Vinson, The Risk Premium Approach to Measuring a Utility's Cost of Equity, Financial Management, Spring 1985, at 33-45; and Farris M. Maddox, Donna T. Pippert, and Rodney N. Sullivan, An Empirical Study of Ex Ante Risk Premiums for the Electric Utility Industry, Financial Management, Autumn 1995, at 89-95.

1 investors' expectations of volatility and, therefore, risk. Since the
2 inception of the VIX in 1990, its average has been approximately 20.51.⁹
3 In contrast, forward-looking estimates of volatility as of October 31, 2011
4 (as measured by futures prices on the VIX and the CBOE S&P 500 VXV
5 index, which is a three-month volatility index) average approximately
6 32.68. The currently anticipated level of volatility is measurably above
7 the pre-recessionary period (*i.e.*, January 2006 to November 2007) during
8 which the VIX averaged 14.90, and also is approximately 32.63 percent
9 higher than the volatility experienced during the market contraction in
10 2002 and 2003, when the VIX averaged 24.64. As discussed earlier, there
11 is a direct relationship between market volatility and the equity risk
12 premium and, as such, the comparatively high forward-looking volatility
13 measures indicate higher, not lower, required equity returns.

14 C. Yield Spreads

15 19. Q: Please discuss your analysis of the relationship between dividend
16 yields and Treasury yields.

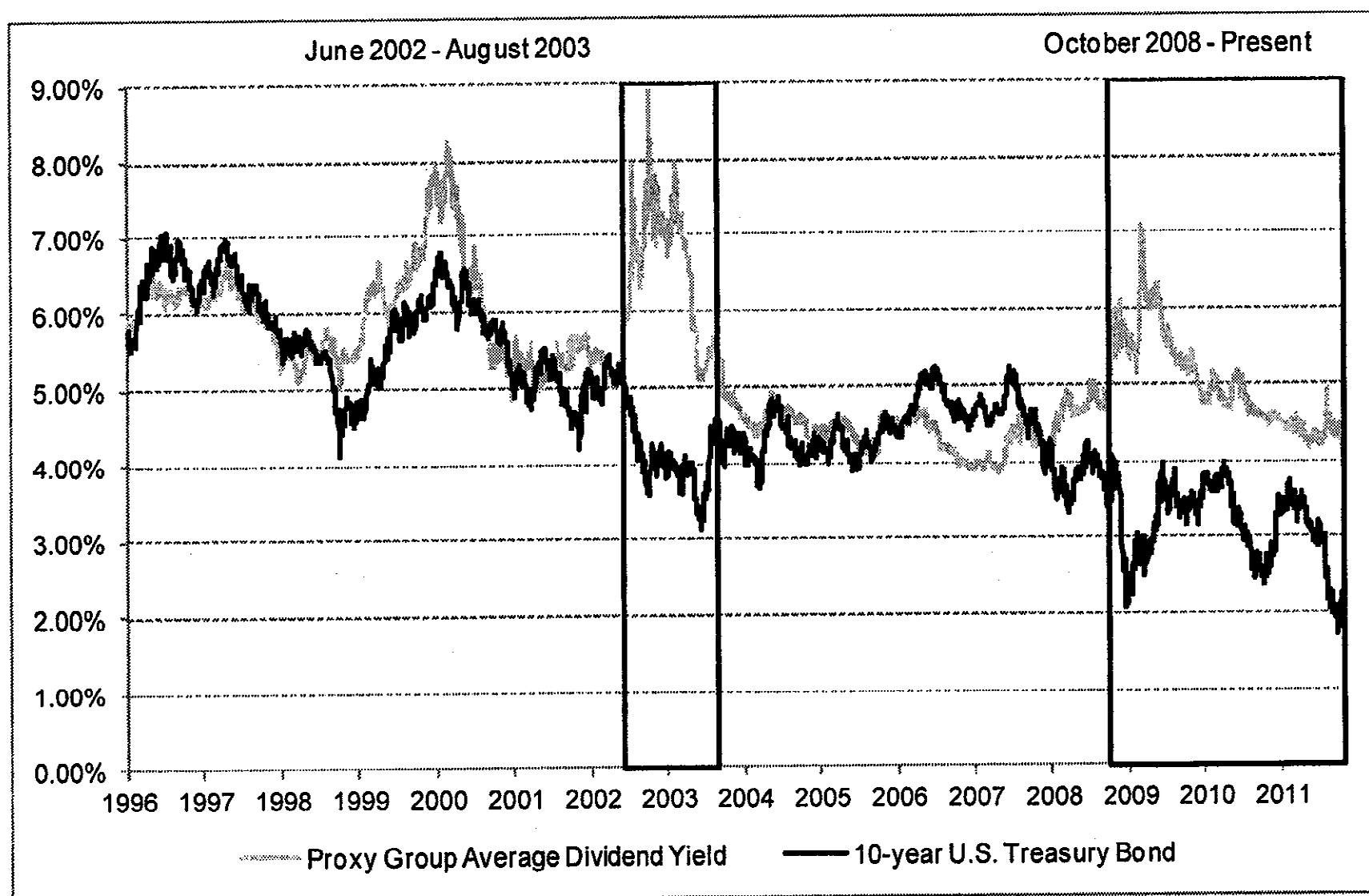
17 A: As a preliminary matter, the "yield spread" is the difference
18 between long-term Treasury yields and dividend yields.¹⁰ Investors often
19 consider yield spreads in their assessment of security valuation and capital
20 market conditions. As shown in Chart 2, the 2008 – 2009 financial market
21 dislocation created the first significant inversion of the yield spread (*i.e.*,

⁹ The 20.51 percent average volatility is approximately equal to the long run (*i.e.*, 1926-2010) market volatility reported by Morningstar, Inc.

¹⁰ The analysis presented here is based on yield spreads calculated using 10-year Treasury Bond Yields.

1 the average dividend yield for the proxy group was higher than the 90-day
 2 average Treasury yield) in five years. Prior to that time, the most recent
 3 period during which dividend yields for the proxy group were significantly
 4 higher than Treasury yields was from mid-2002 through mid-2003, which
 5 itself was a period of credit and equity valuation contraction.

6 **Chart 2: Treasury Yield/Dividend Yield Divergence**
 7 **(January 1, 1996 – October 31, 2011)**



8
 9
 10 An article in *The Wall Street Journal* noted this same relationship
 11 between utility dividend yields and the ten-year Treasury yield, observing
 12 that, "Dividend yields have tended to track the yield on 10-year Treasuries
 13 closely."¹¹

¹¹ Denning, Liam, "A Short Circuit in the Stock Market," *The Wall Street Journal*, October 23, 2009, at C10.

1 20. Q: Why is the continued divergence between utility dividend yields and
2 ten-year Treasury yields relevant in determining the Company's Cost
3 of Equity?

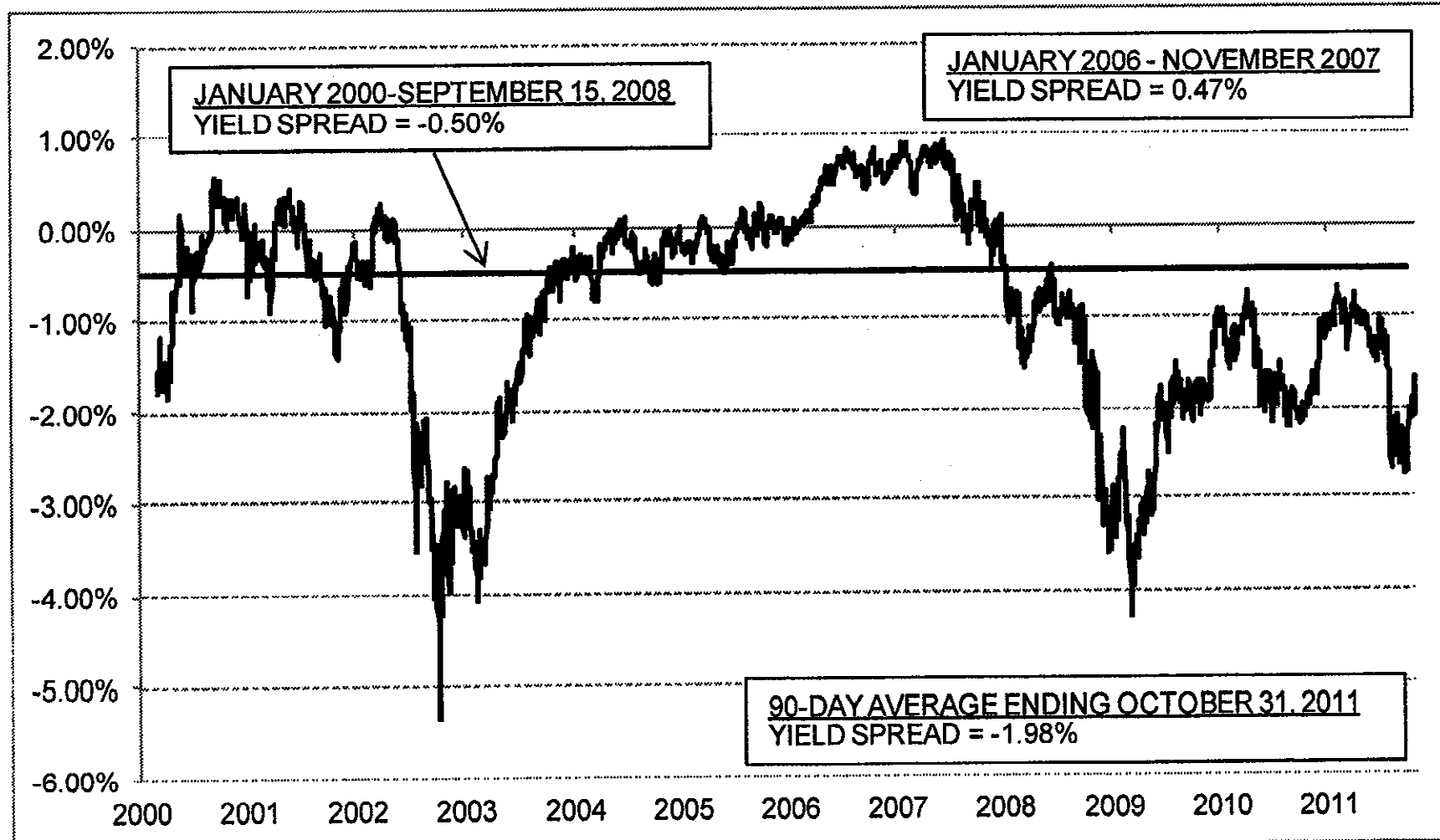
4 A: First, as suggested by The Wall Street Journal, investors often look
5 to the relationships among financial metrics to assess current and expected
6 levels of market stability. To the extent that such relationships materially
7 and persistently deviate from long-term norms, it may be an indication of
8 continuing or expected instability. In the case of the yield spread, the fact
9 that continued Federal intervention in the capital markets has been
10 required to maintain relatively low Treasury yields introduces yet another
11 significant element of capital market uncertainty. Again, investors require
12 increased returns to compensate for taking on such risk.

13 It also is important to recognize that Federal intervention in the
14 capital markets has created additional uncertainty. For example, in its
15 second round of "Quantitative Easing", the Federal Reserve Board (Fed)
16 purchased \$600 billion of Treasury securities between November 2010
17 and June 2011, thereby injecting additional liquidity into capital markets.
18 In an effort to reduce interest rates on longer-term government bonds, on
19 September 21, 2011, the Fed announced plans to purchase \$400 billion in
20 Treasury securities by June 2012 with remaining maturities of six to 30
21 years and sell an equal amount of Treasury securities with remaining
22 maturities of three years or less. Given the recent timing of this initiative,

1 it remains unclear how it may affect capital market conditions going
2 forward.

3 The widened yield spread, which began in 2008, has continued.
4 From January 2000 through September 15, 2008 (*i.e.*, the time of the
5 Lehman Brothers bankruptcy filing), the average yield spread between
6 ten-year Treasury securities and the proxy group average dividend yield
7 was negative 50 basis points. During the two-year period¹² prior to the
8 recession, the average yield on ten-year Treasury securities exceeded the
9 proxy group average dividend yield by approximately 47 basis points. As
10 Chart 3 indicates, the 90-day average yield spread as of October 31, 2011
11 was negative 198 basis points.

12 **Chart 3: Proxy Company Yield Spread**



13
14
¹² This analysis includes the 23 months beginning January 2006 and ending November 30, 2007, just prior to the start of the recent recession, as defined by the National Bureau of Economic Research.

1 Finally, while not included in Chart 3 (above), another measure of
2 the unusual capital market conditions is the relationship between the yield
3 on ten-year Treasury securities and the average dividend yield on the S&P
4 500 index. Over time, the ten-year Treasury yield has been consistently
5 higher than the S&P 500 dividend yield. Since 1958, there have been only
6 two instances in which those yields became inverted (*i.e.*, the dividend
7 yield exceeded the Treasury yield): November 2008,¹³ and
8 August/September 2011. As noted earlier, such deviations from long-term
9 market relationships demonstrate the significant degree of uncertainty and
10 instability in financial markets.

11 **21. Q: What conclusions do you draw from those analyses?**

12 **A:** First, those analyses clearly demonstrate that current market
13 conditions are similar to the 2002-2003 market dislocation that affected all
14 market segments, including utilities. One outcome of the 2002-2003
15 market dislocation was a renewed emphasis on capital market access and
16 the importance of maintaining a strong financial profile, both of which are
17 equally important in the current market environment. The result of market
18 instability and risk aversion, of course, is an increased, not a decreased
19 Cost of Equity. As noted in the August 2011 Federal Reserve Open
20 Market Committee (FOMC) meeting minutes, “financial markets were
21 volatile over the intermeeting period,” and “the broad declines in stock
22 prices and interest rates over the intermeeting period were seen as mostly

¹³ See, for example, Randall W. Forsyth, Reversal of Fortunes Between Stocks and Bonds, Barron's Online, November 19, 2008.

1 reflecting the incoming data pointing to a weaker outlook for growth in the
2 United States and globally as well as a *reduced willingness of investors to*
3 *bear risk in light of the greater uncertainty about the outlook.*¹⁴ The
4 extent of that uncertainty manifested, at least in part, in the significant
5 decrease in long-term Treasury yields since S&P downgraded U.S.
6 sovereign debt on August 5, 2011. Even though that ratings action would
7 call into question the meaning and application of the "Risk Free Rate",
8 investors still have sought safety in Treasury securities. In summary,
9 market instability and measures of risk aversion remain above historical
10 norms.

11 IV. PROXY GROUP SELECTION

12 22. Q: Please explain why you have used proxy companies to determine the
13 Cost of Equity for Delmarva.

14 A: First, it is important to bear in mind that the Cost of Equity for a
15 given enterprise depends on the risks attendant to the business in which
16 the company is engaged. According to financial theory, the value of a
17 given company is equal to the aggregate market value of its constituent
18 business units. The value of the individual business units reflects the risks
19 and opportunities inherent in the business sectors in which those units
20 operate. In this proceeding, we are focused on estimating the Cost of
21 Equity for Delmarva, a rate regulated, wholly-owned subsidiary of PHI.
22 Because the ROE is a market-based concept, and given that Delmarva is

¹⁴ Minutes of the Federal Open Market Committee, August 9, 2011, at 7. Emphasis added.

1 not publicly traded, it is necessary to establish a group of companies that
2 are both publicly traded and comparable to Delmarva in certain
3 fundamental business and financial respects to serve as its "proxy" in the
4 ROE estimation process.

5 Even if Delmarva were a publicly traded entity, it is possible that
6 transitory events could bias its market value in one way or another over a
7 given period of time. A significant benefit of employing a proxy group,
8 therefore, is the mitigation of the effects of anomalous events that may be
9 associated with any one company. The proxy companies used in my
10 analyses all possess a set of operating and risk characteristics that are
11 substantially comparable to Delmarva, and therefore provide a reasonable
12 basis for the derivation and assessment of ROE estimates.

13 **23. Q: Are you aware of any recent court decisions that highlight the**
14 **importance of developing a proxy group of companies that is of**
15 **comparable risk to the subject company?**

16 **A:** Yes. The importance of selecting a proxy group that is comparable
17 in general financial and business risk to the subject company was affirmed
18 by the United States Court of Appeals for the District of Columbia in the
19 *Petal Gas Storage* decision. The Court of Appeals acknowledged that the
20 goal of a proxy group is to rely on companies that are of similar risk to the
21 subject company for determining the subject company's Cost of Equity:

22 That proxy group arrangements must be risk-appropriate is the
23 common theme in each argument. The principle is well-
24 established. *See Hope Natural Gas Co.*, 320 U.S. at 603

1 (“[T]he return to the equity owner should be commensurate
2 with returns on investments in other enterprises having
3 corresponding risks.”); *CAPP I*, 254 F.3d at 293 (“[A]
4 utility must offer a risk-adjusted expected rate of return
5 sufficient to attract investors.”). The principle captures
6 what proxy groups do, namely, provide market-determined
7 stock and dividend figures from public companies
8 comparable to a target company for which those figures are
9 unavailable. *CAPP I*, 254 F.3d at 293–94. Market
10 determined stock figures reflect a company’s risk level and,
11 when combined with dividend values, permit calculation of
12 the “risk-adjusted expected rate of return sufficient to
13 attract investors.”¹⁵
14

15 ***

16 What matters is that the overall proxy group arrangement
17 makes sense in terms of relative risk and, even more
18 importantly, in terms of the statutory command to set “just
19 and reasonable” rates, 15 U.S.C. § 717c, that are
20 “commensurate with returns on investments in other
21 enterprises having corresponding risks” and “sufficient to
22 assure confidence in the financial integrity of the enterprise
23 . . . [and] maintain its credit and . . . attract capital.” *Hope*
24 *Natural Gas Co.*, 320 U.S. at 603.¹⁶

25 Thus, regulatory commissions and analysts alike recognize the
26 importance of developing a proxy group that adequately represents the
27 ongoing risks and prospects of the subject company.

28 **24. Q: Please provide a summary profile of Delmarva.**

29 **A:** As noted earlier, Delmarva is a wholly-owned operating subsidiary
30 of PHI. The Company provides electric transmission, distribution and
31 default supply service to approximately 301,000 customers in Delaware
32 and 199,000 customers in Maryland.¹⁷ The Company also provides

¹⁵ Petal Gas Storage v. FERC, 496 F.3d 695, 699 (D.C. Cir. 2007), at 5.

¹⁶ Ibid at 7.

¹⁷ Pepco Holdings, SEC Form 10-K for the fiscal year ended December 31, 2010, at 6.

1 natural gas distribution service to approximately 123,000 customers in
2 northern Delaware.¹⁸

3 Delmarva's current corporate credit rating is BBB+ (outlook:
4 stable) according to S&P's, Baa2 (outlook: stable) according to Moody's,
5 and BBB+ (outlook: stable) according to Fitch Ratings (Fitch).¹⁹ The
6 following table provides summary financial and operating statistics for
7 Delmarva for the past three years:

8 **Table 2: Delmarva Operating and Financial Results**

9 **2008 To 2010²⁰ (millions of dollars)**

| | 2008 | 2009 | 2010 |
|---------------------------------|---------|---------|---------|
| Electric Customers | 498,000 | 498,000 | 500,000 |
| Gas Customers | 122,000 | 123,000 | 123,000 |
| Regulated T&D Electric Revenue | \$353 | \$343 | \$375 |
| Regulated Gas Revenue | \$204 | \$228 | \$191 |
| Total Net Income | \$68 | \$52 | \$45 |
| Net Electric PP&E ²¹ | \$1,401 | \$1,492 | \$1,605 |

10
11 **25. Q: How did you select the companies included in your proxy group?**

12 **A:** I began with the companies that Value Line classifies as "Electric
13 Utilities," which comprise a group of 53 domestic United States utilities. I
14 then simultaneously applied the following screening criteria:

18 Ibid., at 7.

19 Source: SNL Financial.

20 Includes operating and financial data from both Maryland and Delaware jurisdictions 2009 and 2010 data from Pepco Holdings, SEC Form 10-K for the fiscal year ended December 31, 2010 at 101-103, 254 & 269. 2008 data from corresponding 10-K for the fiscal year ended December 31, 2009 at 105-107, 250 & 264.

21 Includes Distribution and Transmission only (excludes Construction work-in-progress and Non-operating and other property).

- I excluded companies that do not pay consistent quarterly cash dividends;
- I selected companies that have long-term earnings growth estimates from at least two utility industry equity analysts;
- I selected proxy companies that have an S&P senior unsecured bond and/or corporate ratings of BBB- to AAA (S&P or Moody's equivalent, as the case may be);
- I excluded companies whose average regulated operating income for the years 2008, 2009 and 2010 comprised less than 60.00 percent of the consolidated total;
- I excluded companies whose average regulated electric operating income over 2008, 2009 and 2010 represented less than 90.00 percent of total regulated operating income; and
- I eliminated any companies that are currently known to be party to a merger or other transformative transaction.

26. Q: Did you include PHI in your analysis?

A: No, I did not. It is my practice to exclude the subject company, or its parent holding company, from the proxy group in order to avoid the circular logic that would otherwise result.

27. Q: Why did you include integrated utilities in your proxy group, when Delmarva is a transmission and distribution company?

A: When combined with my other screening criteria, screening out all companies that own generation would have left my proxy group with only

one company. That company, ITC Holdings Corp. (ITC), is a FERC regulated transmission-only company, and as such is not fundamentally comparable to Delmarva. As a practical matter, therefore, it would not be feasible to construct a reasonable proxy group of electric utilities that do not own physical generating assets. I therefore concluded that expanding my proxy group to include integrated electric companies is a reasonable approach for the purpose of estimating the Company's Cost of Equity.

28. Q: What companies met the screening criteria for your initial proxy group?

A: Strict adherence to the criteria discussed above resulted in an initial proxy group of the following 13 companies.

Table 3: Initial Proxy Group

| Company | Ticker |
|---------------------------------------|--------|
| American Electric Power Company, Inc. | AEP |
| Cleco Corporation | CNL |
| Edison International | EIX |
| Great Plains Energy Inc. | GXP |
| Hawaiian Electric Industries, Inc. | HE |
| IDACORP, Inc. | IDA |
| Integrus Energy Group, Inc. | TEG |
| ITC Holdings Corp. | ITC |
| Otter Tail Corporation | OTTR |
| Pinnacle West Capital Corporation | PNW |
| Portland General Electric Company | POR |
| Southern Company | SO |
| Westar Energy, Inc. | WR |

1 **29. Q: Does this constitute your final proxy group?**

2 **A:** No, it does not. My initial set of screening criteria produced a
3 group of 13 potential proxy companies. I then examined the operating
4 profile of each of those 13 companies to be certain that none of them
5 displayed characteristics that were inconsistent with my intent to produce
6 a proxy group that is fundamentally similar to Delmarva. As a result of
7 that examination, I have made four modifications to the initial screening
8 results.

9 First, Edison International (EIX) reported significant unregulated
10 losses in 2009; those losses were in excess of 45.00 percent of EIX's
11 regulated utility operating income. According to EIX's 2009 SEC Form
12 10-K, those significant operating losses were the result of a global tax
13 settlement with the Internal Revenue Service and termination of cross-
14 border leases, which caused EIX's unregulated competitive power and
15 financial services segment to record an approximately \$920 million pre-
16 tax loss.²² Given the extent of those losses, it is difficult to assess the
17 extent to which the regulated electric utility operations would be expected
18 to contribute to the company's consolidated financial performance in the
19 near and longer terms. Consequently, I have excluded EIX from my final
20 proxy group.

21 Second, Otter Tail Corp. (Otter Tail) reported significant losses in
22 the operating income of several non-regulated business segments in 2009

²² See, Edison International, SEC Form 10-K for the fiscal year ended December 31, 2009, at 71, 104.

1 and 2010, due to recessionary market conditions in those segments. As a
2 result, operating income from regulated operations represented the
3 majority of the reported operating income in those years. However, since
4 the process of estimating the ROE necessarily is forward looking, it is
5 important to consider whether the electric utility operations will continue
6 to be the majority of operating income in the future to establish whether
7 the company's operations and risks are comparable to the subject
8 company.

9 Reviewing Otter Tail's SEC Form 10-K, the \$14.8 million loss
10 experienced in 2010 in the Manufacturing segment was due to economic
11 conditions and a \$15.6 million net-of-tax asset impairment.²³ In addition,
12 the Wind Energy segment experienced a loss of \$21.2 million in 2010.²⁴
13 Given the extent of the 2010 losses and analyst projections for 2011, it is
14 difficult to assess the degree to which regulated electric utility operations
15 would be expected to contribute to the company's consolidated financial
16 performance in the near and longer terms. Therefore, I have excluded
17 Otter Tail from my final proxy group.

18 Third, similar to Otter Tail and EIX, Integrys Energy Group, Inc.
19 (Integrys) also experienced significant losses during the three year period
20 that I relied on to develop my proxy group. In 2008, the company
21 reported operating losses of \$118.30 million in Integrys Energy Services

²³ Otter Tail Corporation 2010 SEC Form 10-K, p. 43, 85.

²⁴ Ibid at 85.

1 Non-regulated Segment Operations.²⁵ In 2009, the Natural Gas Utility
2 Segment experienced an operating loss of \$114.6 million, primarily as the
3 result of a non-cash goodwill impairment loss of \$284.6 million.²⁶

4 Regarding the impairment charge, the company noted that:

5 Key factors contributing to the impairment charge included
6 disruptions in the global credit and equity markets and the resulting
7 increase in the weighted-average cost of capital used to value the
8 natural gas utility operations, and the negative impact that the
9 global decline in equity markets had on the valuation of natural gas
10 distribution companies in general.²⁷

11
12 Since the composition of the ongoing operations of Integrys is
13 somewhat uncertain, I have excluded Integrys from the final proxy group.

14 Lastly, as explained above, ITC is a FERC regulated transmission-
15 only company, and as such is not fundamentally comparable to Delmarva.
16 Consequently, I have excluded ITC from the final proxy group.

17 My final proxy group therefore consists of the nine companies
18 noted in Table 4.

²⁵ Integrys 2010 SEC Form 10-K, at 40.

²⁶ Integrys 2009 SEC Form 10-K, at 35.

²⁷ Ibid at 107.

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1 based on the results of those analyses, to determine where within the range
2 of results the Cost of Equity for Delmarva falls. The resulting Cost of
3 Equity serves as the recommended ROE for ratemaking purposes. As a
4 general proposition, the key consideration in determining the Cost of
5 Equity is to ensure that the methods employed reasonably reflect
6 investors' view of the financial markets in general, and the risks and
7 prospects associated with the subject company's common equity in
8 particular.

9 **32. Q: What methods did you use to determine Delmarva's Cost of Equity?**

10 **A:** I used the Constant Growth DCF model as my primary analytical
11 approach. I then considered the results of the CAPM and an alternative
12 Risk Premium approach in assessing the reasonableness of the DCF results
13 in developing my ROE recommendation. As discussed in more detail
14 below, it is extremely important to consider current and expected market
15 conditions in the application of those models and the interpretation of their
16 results. Consequently, a reasonable ROE estimate appropriately considers
17 alternate methods and the reasonableness of their individual and collective
18 results in the context of observable market conditions.

19 **33. Q: Why do you believe it is important to use more than one analytical**
20 **approach?**

21 **A:** Because the Cost of Equity is not directly observable, it must be
22 estimated based on both quantitative and qualitative information. When
23 faced with the task of estimating the ROE, analysts and investors are

1 inclined to gather and evaluate as much relevant data as reasonably can be
2 analyzed. As a result, a number of models have been developed to
3 estimate the Cost of Equity. For that reason, Concentric uses multiple
4 approaches to estimate the Cost of Equity used in performing valuations in
5 the context of our financial advisory and transaction practices.

6 As a practical matter, however, all of the models used to estimate
7 the Cost of Equity are subject to limiting assumptions or other analytic
8 constraints. Consequently, many finance texts recommend using multiple
9 approaches when estimating the Cost of Equity. For example, Copeland,
10 Koller and Murrin²⁸ suggest using the CAPM and Arbitrage Pricing
11 Theory model, while Brigham and Gapenski²⁹ recommend the CAPM,
12 DCF, and “Bond Yield Plus Risk Premium” approaches.

13 In essence, analysts and academics understand that ROE models
14 are tools to be used in the ROE estimation process and that strict
15 adherence to any single approach, or the specific results of any single
16 approach, can lead to flawed and irrelevant conclusions. That position is
17 consistent with the *Hope* and *Bluefield* finding that it is the analytical
18 result, as opposed to the method, that is controlling in arriving at ROE
19 determinations. A reasonable ROE estimate therefore considers
20 alternative methods, observable market data, and the reasonableness of
21 their individual and collective results.

²⁸ Tom Copeland, Tim Koller and Jack Murrin, Valuation: Measuring and Managing the Value of Companies, 3rd ed. (New York: McKinsey & Company, Inc., 2000), at 214.

²⁹ Eugene Brigham, Louis Gapenski, Financial Management: Theory and Practice, 7th ed. (Orlando: Dryden Press, 1994), at 341.

1 Consequently, it is both prudent and appropriate to use multiple
2 methods in order to mitigate the effects of assumptions and inputs
3 associated with relying exclusively on any single approach. Such use,
4 however, must be tempered with due caution as to the results generated by
5 each individual approach.

6 **A. The Constant Growth DCF Model**

7 **34. Q: Are DCF models widely used to determine the Cost of Equity for**
8 **regulated utilities?**

9 **A:** Yes. DCF models are widely used in regulatory proceedings and
10 have a sound theoretical basis, although neither the DCF model nor any
11 other model can be applied without considerable judgment when selecting
12 the data and interpreting the results. In its simplest form, the DCF model
13 expresses the Cost of Equity as the sum of the expected dividend yield and
14 long-term growth rate.

15 **35. Q: Please describe the DCF approach.**

16 **A:** The DCF approach is based on the theory that a stock's current
17 price represents the present value of all expected future cash flows. In its
18 most general form, the DCF model is expressed as follows:

19
$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_\infty}{(1+k)^\infty} \quad [1]$$

20 Where P_0 represents the current stock price, $D_1 \dots D_\infty$ are all
21 expected future dividends, and k is the discount rate, or required ROE.

Equation [1] is a standard present value calculation that can be rearranged and expressed in the familiar form:

$$k = \frac{D(1+g)}{P_0} + g \quad [2]$$

Equation [2] is often referred to as the “Constant Growth DCF” model in which the first term is the expected dividend yield and the second term (*i.e.*, “*g*”) is the expected long-term growth rate.

36. Q: What assumptions are required for the Constant Growth DCF model?

A: The DCF model requires the following assumptions: (1) a constant growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant price-to-earnings multiple; and (4) a discount rate greater than the expected growth rate. To the extent that any of these assumptions is violated, considered judgment and/or specific adjustments should be applied to the results.

B. Dividend Yield for the DCF Model

37. Q: What market data did you use to calculate the dividend yield in your DCF model?

A: The dividend yield is based on the proxy companies’ current annualized dividend, and average closing stock prices over the 30, 90, and 180-trading days ended October 31, 2011.

1 38. Q: Why did you use 30-day, 90-day, and 180-day averaging periods?

2 A: I believe it is important to use an average of recent trading days to
3 calculate the term P_0 in the DCF model to ensure that the calculated ROE
4 is not skewed by anomalous events that may affect stock prices on any
5 given trading day. In that regard, the averaging period should be
6 reasonably representative of expected capital market conditions over the
7 long term. At the same time, it is important to reflect the extraordinary
8 conditions that have defined the financial markets over the recent past. In
9 my view, the use of the 30, 90, and 180-day averaging periods reasonably
10 balances those concerns.

11 39. Q: Putting aside the issue of the averaging period, did you make any
12 adjustments to the dividend yield to account for periodic growth in
13 dividends?

14 A: Yes. Because utility companies tend to increase their quarterly
15 dividends at different times throughout the year, it is reasonable to assume
16 that dividend increases will be evenly distributed over calendar quarters.
17 Given that assumption, it is reasonable to apply one-half of the expected
18 annual dividend growth for purposes of calculating the expected dividend
19 yield component of the DCF model. This adjustment ensures that the
20 expected dividend yield is, on average, representative of the coming
21 twelve-month period, and does not overstate the aggregated dividends to
22 be paid during that time. Accordingly, the DCF estimates provided in

1 Schedule RBH-1 reflect one-half of the expected growth in the dividend
2 yield component of the model.

3 **C. Growth Rates for the DCF Model**

4 **40. Q: Is it important to select appropriate measures of long-term growth in**
5 **applying the DCF model?**

6 **A:** Yes. In its constant growth form, the DCF model (*i.e.*, Equation
7 [2]) assumes a single growth rate in perpetuity. Accordingly, in order to
8 reduce the long-term growth rate to a single measure, one must assume a
9 constant payout ratio, and that earnings per share, dividends per share and
10 book value per share all grow at the same constant rate. Eventually,
11 however, dividend and book value growth can only be sustained by
12 earnings growth. Consequently, it is important to incorporate a variety of
13 sources of long-term earnings growth into the Constant Growth DCF
14 model.

15 **41. Q: Please summarize your inputs to the Constant Growth DCF model.**

16 **A:** I applied the DCF model to the proxy group of nine electric utility
17 companies using the following inputs for the price and dividend terms:

- 18 • The average daily closing prices for the 30 trading days, 90
19 trading days, and 180 trading days ended October 31, 2011 for
20 the term P_0 ;
- 21 • The annualized dividend per share as of October 31, 2011 for
22 the term D_0 .

- I then calculated the DCF results using each of the following growth terms:
- The Zacks consensus long-term earnings growth estimates;
- The First Call consensus long-term earnings growth estimates;
- and
- The Value Line earnings growth estimates.

D. DCF Model Results

42. Q: Please summarize the results of your DCF analyses.

A: Table 5 (below), (*see* also Schedule RBH-1), presents the results of the DCF analyses. As shown in that table, the DCF model produces a range of mean results from 10.44 percent to 10.53 percent; the mean high results range from 11.38 percent to 11.47 percent.

Table 5: Discounted Cash Flow Analyses Results

| | Mean Low | Mean | Mean High |
|-----------------|-----------------|-------------|------------------|
| 30-Day Average | 9.57% | 10.44% | 11.38% |
| 90-Day Average | 9.65% | 10.51% | 11.46% |
| 180-Day Average | 9.66% | 10.53% | 11.47% |

43. Q: How did you calculate the mean high and mean low DCF results?

A: I calculated the mean high DCF result using the maximum growth rate (*i.e.*, the maximum of the Zack's, First Call and Value Line EPS growth rates) in combination with the dividend yield for each of the proxy group companies. Thus, the mean high result reflects the average maximum DCF result for the proxy group. I used a similar approach to

1 calculate the mean low results, using the minimum growth rate for each
2 proxy group company.

3 44. Q: **Did you undertake any additional analyses to assess your DCF model**
4 **results?**

5 A: Yes, I also used the CAPM and the Bond Yield Plus Risk Premium
6 approaches as means of testing the reasonableness of my DCF results.

7 **E. CAPM Analysis**

8 45. Q: **Please briefly describe the general form of the Capital Asset Pricing**
9 **Model.**

10 A: The CAPM is a risk premium approach that estimates the Cost of
11 Equity for a given security as a function of a risk-free return plus a risk
12 premium (to compensate investors for the non-diversifiable or
13 “systematic” risk of that security). As shown in Equation [3], the CAPM
14 is defined by four components, each of which must theoretically be a
15 forward-looking estimate:

16
$$K_e = r_f + \beta(r_m - r_f) \text{ [3]}$$

17 where:

18 K_e = the required market ROE;

19 β = Beta coefficient of an individual security;

20 r_f = the Risk Free Rate of return; and

21 r_m = the required return on the market as a whole.

22 In this specification, the term $(r_m - r_f)$ represents the Market Risk
23 Premium. According to the theory underlying the CAPM, because

1 unsystematic risk can be diversified away, investors should be concerned
2 only with systematic or non-diversifiable risk. Non-diversifiable risk is
3 measured by the Beta coefficient, which is defined as:

$$4 \quad \beta = \frac{\text{Covariance}(r_e, r_m)}{\text{Variance}(r_m)} \quad [4]$$

5 The variance of the market return, noted in Equation [4], is a
6 measure of the uncertainty of the general market, and the covariance
7 between the return on a specific security and the market reflects the extent
8 to which the return on that security will respond to a given change in the
9 market return. Thus, the Beta coefficient represents the non-diversifiable
10 risk of the security relative to the overall market.

11 46. Q: **Do you have concerns about the CAPM based on current and**
12 **expected market conditions?**

13 A: Yes, I do. First, as noted above, the Risk Free Rate, " r_f ", in the
14 CAPM formula is represented by the interest rate on long-term United
15 States Treasury securities. During the financial dislocation, investors
16 reacted to the extraordinary levels of market volatility discussed earlier by
17 investing in low-risk securities such as Treasury bonds. Consequently, if
18 measured on a historical basis, the first term in the model (*i.e.*, the risk-
19 free rate) is lower than it would have been absent the elevated degree of
20 risk aversion that has, at least in part, resulted in historically low Treasury
21 yields.

1 In addition, as a result of the extraordinary loss in equity values
2 during 2008, the Market Risk Premium, when measured on a historical
3 basis, actually decreased from the prior year, even though other measures
4 of investor sentiments, including market volatility and credit spreads,
5 indicated extremely high levels of risk aversion. That result is, of course,
6 counter-intuitive. While the 2009 market rally resulted in a somewhat
7 higher historical Market Risk Premium, it still remains below its pre-
8 financial crisis level. Consequently, the Market Risk Premium component
9 of the model also should reflect current, forward-looking market data.

10 Finally, Beta coefficients reported by Value Line and Bloomberg
11 calculate the Beta coefficient over historical periods of 60 and 24 months,
12 respectively.³⁰ During the recent financial market dislocation, the
13 relationship between the returns of the proxy group companies and the
14 S&P 500 was considerably different than the relationship observed in the
15 current market environment. As a result, those Beta coefficients may not
16 be reasonable measures of current systematic risk. For example, in June
17 2008, the period prior to the Lehman Brothers bankruptcy filing, the
18 average Value Line Beta coefficient for my proxy group was 0.833. As
19 shown on Schedule RBH-2 the average Value Line Beta coefficient for
20 my proxy group currently is 0.694, which would suggest a lower Cost of
21 Equity notwithstanding the comparatively high volatility that persists in
22 the capital markets.

³⁰ As discussed below, while Bloomberg enables the analyst to calculate Beta coefficients over a range of periods, the default calculation period is 24 months.

1 47. Q: With those qualifications in mind, what assumptions did you use in
2 your CAPM model?

3 A: I used the current 30-day average yield on 30-year Treasury bonds
4 (i.e., 3.09 percent) and the near-term projected 30-year Treasury yield
5 (i.e., 3.60 percent) as my estimate of the risk-free rate. In addition, for the
6 reasons discussed above (e.g., the decrease in the Market Risk Premium as
7 measured on a historical basis despite elevated levels of risk aversion), I
8 did not use a historical average for the Market Risk Premium; rather, I
9 developed two forward-looking (*ex-ante*) estimates.

10 48. Q: Please describe your first approach to estimating the Market Risk
11 Premium.

12 A: The first approach is based on the expected return on the S&P 500
13 Index, less the current 30-year Treasury Bond Yield. The expected return
14 on the S&P 500 is calculated by applying the Constant Growth DCF
15 model discussed earlier in my testimony to the market capitalization-
16 weighted long-term growth estimate and dividend yield for the S&P 500
17 index.

18 49. Q: Please describe the second approach used to estimate the *ex-ante*
19 Market Risk Premium.

20 A: The second *ex-ante* approach assumes a constant Sharpe Ratio,
21 which is the ratio of the risk premium relative to the risk, or standard
22 deviation, of a given security or index of securities. The Sharpe Ratio is

1 relied upon by financial professionals to assess how much additional
2 return an investor receives for holding a risky (*i.e.*, more volatile) asset
3 rather than a risk-free (*i.e.*, less volatile) asset. The formula for calculating
4 the Sharpe Ratio is expressed as follows:

5
$$S(X) = (R_x - R_f) / Std Dev (X) \text{ [5]}$$

6 where:

7 X = the investment;

8 R_x = the average return of X ;

9 R_f = the best available rate of return of a risk free security; and

10 $Std Dev$ = the standard deviation of R_x .

11 As shown in Schedule RBH-3, the constant Sharpe Ratio is the
12 ratio of the historical Market Risk Premium of 6.70 percent (the numerator
13 of Equation 5) and the historical market volatility of 20.28 percent (the
14 denominator of Equation 5).³¹ The expected Market Risk Premium then is
15 calculated as the product of the Sharpe Ratio and the expected market
16 volatility. To measure expected volatility, I relied on the thirty-day
17 average of the CBOE three-month volatility index (*i.e.*, the VXV) and the
18 same thirty-day average of settlement prices of futures on the CBOE's
19 one-month volatility index (*i.e.*, the VIX) for February through April
20 2012. Both the VIX and the VXV are measures of implied market
21 expectations of near-term volatility derived from options on the S&P 500
22 index.

³¹ Calculated from Morningstar data. See Morningstar Inc., 2011 Ibbotson Stocks, Bonds, Bills and Inflation, Valuation Yearbook, Large Company Stocks: Total Returns Table B-1, at 162-163.

1 50. Q: **What measures of the Beta coefficient did you use in your CAPM**
2 **model?**

3 A: I considered three separate Beta coefficients for the proxy group
4 companies: (1) the reported Beta coefficients from Bloomberg (which are
5 calculated using 24 months of data); (2) the reported Beta coefficients
6 from Value Line (which are calculated using 60 months of data); and (3)
7 an eighteen-month calculated Beta coefficient. As discussed below (*see*
8 also Chart 4), current market conditions are such that the volatility of the
9 proxy group stock prices has been increasing relative to the broad market.
10 Consequently, Beta coefficients calculated over a more recent time period
11 provide a more current view as to investors' perspectives with respect to
12 "systematic" risk.

13 51. Q: **Please describe how you calculated the mean adjusted Beta coefficient**
14 **for your proxy group.**

15 A: As shown in Equation 5, the Beta coefficient is calculated as the
16 ratio of the covariance between the individual security returns and the
17 market returns, to the variance of the market returns. To arrive at a single
18 estimate of the Beta coefficient for the proxy group, I first averaged the
19 weekly returns of the nine proxy companies. Calculating the covariance
20 between the proxy group's mean weekly returns and the weekly returns of
21 the S&P 500 for the most recent eighteen months produces the numerator
22 of the Beta coefficient calculation for the proxy group. As noted above,
23 the denominator in the calculation is the variance of weekly returns for the

1 S&P 500.³² As shown in Schedule RBH-4, this method results in a proxy
2 group mean raw Beta coefficient of 0.615. Adjusting the raw Beta
3 coefficient for the tendency to regress toward the market Beta coefficient
4 of 1.0 results in an adjusted Beta coefficient of 0.743.³³

5 **52. Q: How and why did you adjust the raw Beta coefficient?**

6 A: Both Bloomberg and Value Line adjust their calculated (or "raw")
7 Beta coefficients to reflect the tendency of the Beta coefficient to regress
8 to the market mean of 1.00. I adjusted my raw Beta coefficient consistent
9 with the method used by Bloomberg. This approach multiplies the raw
10 Beta coefficient (*i.e.*, 0.615) by 0.67, and adds 0.333 to that product and
11 results in the adjusted Beta coefficient of 0.743 (*i.e.*, $[0.615 \times 0.667] +$
12 $0.333 = 0.743$). The purpose of such adjustments is to reflect the results of
13 substantial academic research indicating that over time raw Beta
14 coefficients tend to regress to the market mean of 1.00.³⁴

15 **53. Q: Please explain why you relied on an eighteen-month estimate of the**
16 **proxy group mean adjusted Beta coefficient.**

17 A: As noted earlier, Value Line and Bloomberg calculate Beta
18 coefficients for each company over historical periods of 60 and 24 months,
19 respectively. During the recent financial market dislocation, the

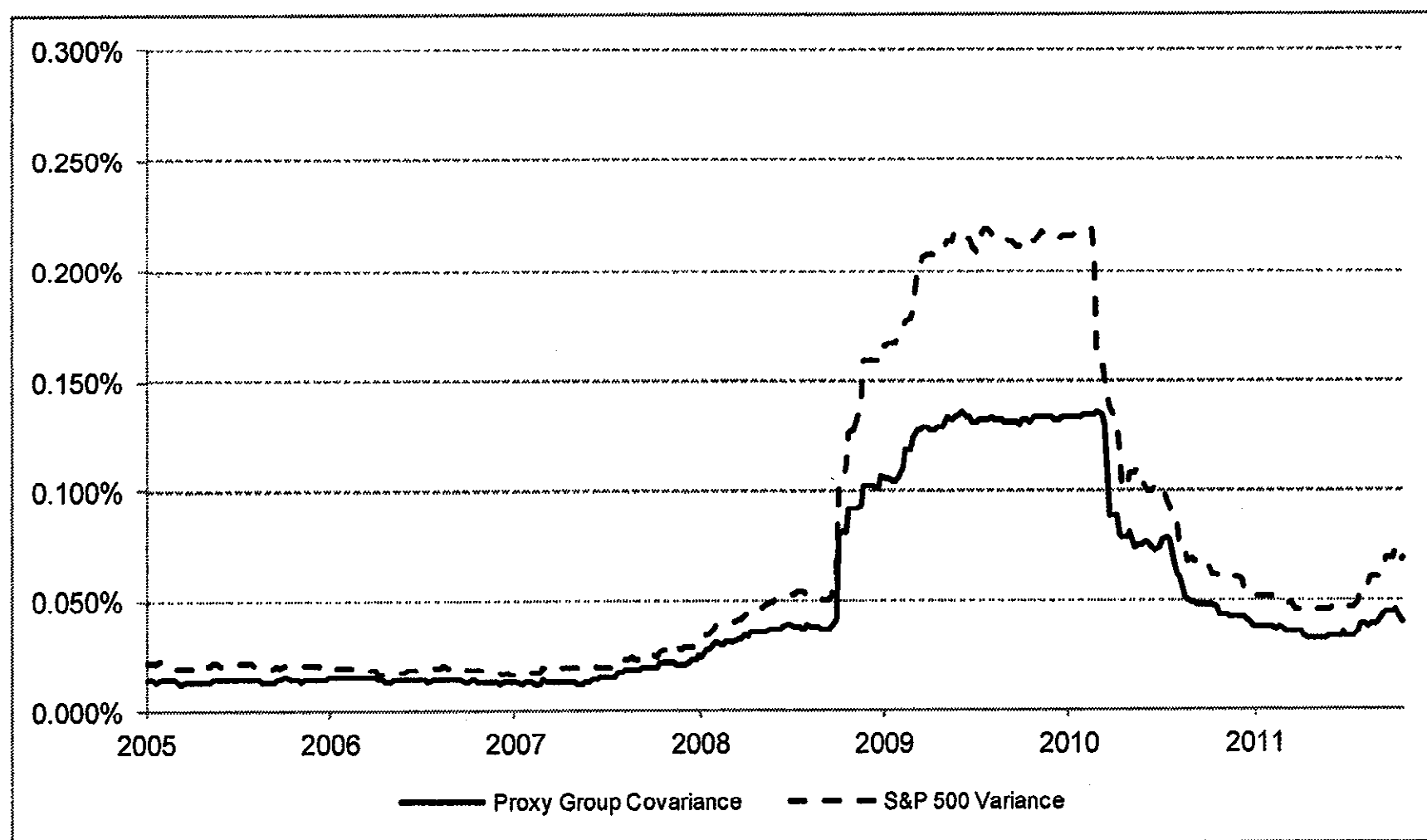
³² It is worthwhile noting that averaging nine individual Betas coefficients for each of the proxy group companies would produce the same result as calculating a single Beta based on the average of the nine companies' weekly returns.

³³ The raw Beta and adjusted Beta coefficients calculated using this approach are identical to the Beta coefficients calculated by Bloomberg when assuming the identical holding period.

³⁴ The regression tendency of Beta coefficients to converge to 1.0 over time is well known and widely discussed in financial literature. See Blume, Marshall E., On the Assessment of Risk, The Journal of Finance, Vol. 26, No. 1, March 1971, at 1-10.

1 relationship between the returns of the proxy group companies and the
2 S&P 500 was considerably different than has been experienced in the
3 current market environment. In order to capture a more current period
4 than the Bloomberg two-year calculation period, I based my analysis on an
5 eighteen-month calculation period. Chart 4 (below) illustrates the
6 relationship between the covariance of average weekly returns for the
7 proxy group and the variance in the returns of the S&P 500, the two
8 components of the Beta coefficient calculation.

9 **Chart 4: Proxy Group Average Covariance and S&P 500 Variance**
10 **(Rolling eighteen-month calculation)**



11
12
13 **54. Q. Is your eighteen-month Beta coefficient reasonable relative to levels**
14 **that were observed prior to the financial market crisis?**

1 A: Yes. Prior to the financial market crisis, the average Beta
2 coefficients for my proxy group companies, as reported by Value Line and
3 Bloomberg, were higher than what I have calculated using the most recent
4 eighteen months of market data. For example, as shown in Table 6
5 (below), in September 2007, one year prior to the Lehman Brothers
6 bankruptcy filing, the average Beta coefficient from Value Line for my
7 proxy group was 0.975. Similarly, the average Beta coefficient as
8 reported by Bloomberg was 0.858. As of June 30, 2008, the average Beta
9 coefficient from Value Line for my proxy group was 0.833. As of the
10 same date, Bloomberg reported an average Beta coefficient of 0.824. As
11 shown in Table 6 (below), in each of the three time periods that were
12 analyzed the eighteen-month calculated Beta coefficient fell between the
13 Beta coefficient estimates reported by Value Line and Bloomberg. Based
14 on those historical measures, as well as the fact that the eighteen-month
15 Beta coefficient was similar to the range created by the Value Line and
16 Bloomberg estimates in each instance, it is my view that the average
17 eighteen-month Beta coefficient of 0.743 is reasonable, if not
18 conservative, compared to levels observed prior to the financial market
19 crisis.

Table 6: Beta Coefficients

| | Value Line | Bloomberg | Eighteen-Month Beta |
|--------------------------------|------------|-----------|---------------------|
| September 28, 2007 | 0.975 | 0.858 | 0.869 |
| June 30, 2008 | 0.833 | 0.824 | 0.828 |
| October 31, 2011 ³⁵ | 0.694 | 0.754 | 0.743 |

55. Q: How did you apply your CAPM?

A: I relied on the *ex-ante* risk premium and near-term Beta coefficient to calculate the CAPM model using both the current 30-day average yield on the 30-year United States Treasury bond and near-term projections of the 30-year Treasury Bond Yield as the risk-free rate. I also performed the same calculation using the average Value Line and Bloomberg Beta coefficients. As noted in Schedule RBH-3, the use of *ex-ante* market risk premia and risk-free rates produces a range of results that is generally consistent with the range of results produced by the other calculation methods.

56. Q: What are the results of your CAPM analyses?

A: As shown in Table 7 (below), (*see* also Schedule RBH-3), the CAPM analysis based on the eighteen-month Beta coefficient suggests an ROE range of 10.74 percent to 11.63 percent. Relying on the Value Line Beta coefficients over a five-year historical period results in a range of returns from 10.23 percent to 11.10 percent. Alternatively, relying on the

³⁵ See Exhibit No. RBH-2 and Exhibit No. RBH-4.

Bloomberg Beta coefficients over a two-year historical period results in a range of returns from 10.84 percent to 11.74 percent.

Table 7: *Ex-Ante* CAPM Results

| | Sharpe Ratio Derived Market Risk Premium | DCF Derived Market Risk Premium |
|---|---|--|
| <i>Eighteen-month Beta Coefficient</i> | | |
| Current 30-Year Treasury (3.09%) | 11.12% | 10.74% |
| Projected 30-Year Treasury (3.60%) | 11.63% | 11.24% |
| <i>Value Line Beta Coefficient</i> | | |
| Current 30-Year Treasury (3.09%) | 10.59% | 10.23% |
| Projected 30-Year Treasury (3.60%) | 11.10% | 10.74% |
| <i>Bloomberg Beta Coefficient</i> | | |
| Current 30-Year Treasury (3.09%) | 11.23% | 10.84% |
| Projected 30-Year Treasury (3.60%) | 11.74% | 11.35% |

F. Bond Yield Plus Risk Premium Analysis

57. Q: Please describe the Bond Yield Plus Risk Premium approach you employed.

A: In general terms, the Bond Yield Plus Risk Premium approach is based on the fundamental principle that equity investors bear the residual risk associated with ownership, and therefore require a premium over the return they would have earned as a bondholder. That is, since returns to equity holders are more risky than returns to bondholders, equity investors must be compensated for bearing that risk. Risk premium approaches, therefore, estimate the Cost of Equity as the sum of the equity risk

1 premium and the yield on a particular class of bonds. As noted in my
2 discussion of the CAPM, since the equity risk premium is not directly
3 observable, it typically is estimated using a variety of approaches, some of
4 which incorporate *ex-ante* estimates of the Cost of Equity, and others that
5 consider historical or *ex-post* estimates. In the case of the CAPM, those
6 estimates are with respect to the return on the broad market. An
7 alternative approach is to use actual authorized returns for electric utilities
8 as the historical measure of the Cost of Equity to determine the equity risk
9 premium.

10 **58. Q: What did your Bond Yield Plus Risk Premium analysis reveal?**

11 **A:** As shown on Chart 5, from 1992 through October 31, 2011, there
12 was, in fact, a strong negative relationship between risk premia and
13 interest rates. To estimate that relationship, I conducted a regression
14 analysis using the following equation:

$$RP = a + b(T) \text{ [6]}$$

16 where:

17 RP = Risk Premium (difference between allowed ROEs and 30-
18 Year Treasury Bond Yield)

19 a = Intercept term

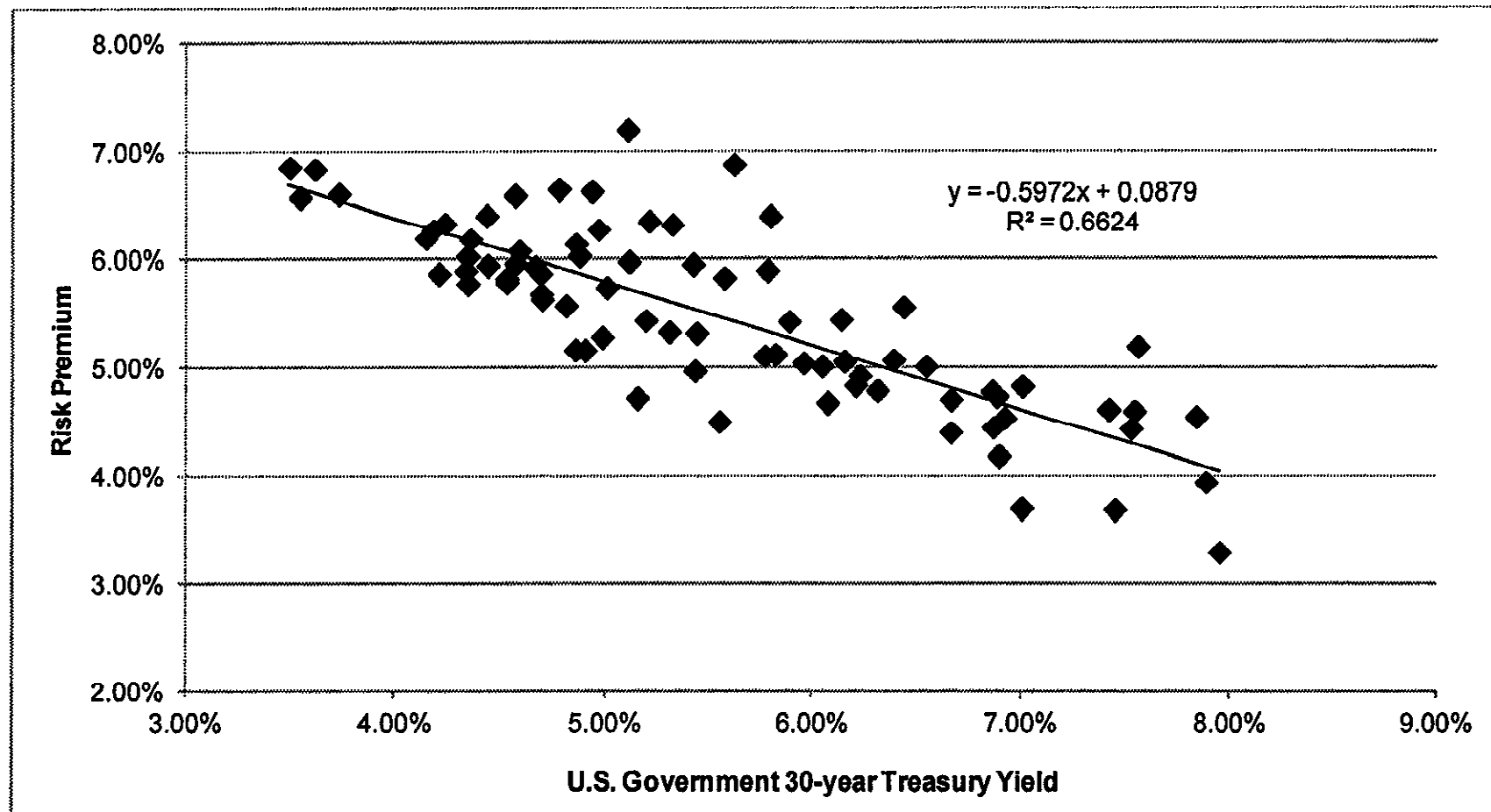
20 b = Slope term

21 (T) = 30-Year Treasury Bond Yield

22 Data regarding allowed ROEs was derived from 510 electric utility
23 rate cases from January 1992 through October 31, 2011, as reported by

Regulatory Research Associates. The equation's coefficients were significant at the 99.00 percent confidence interval.³⁶

Chart 5: Risk Premium vs. 30-Year Treasury Yield



As shown on Schedule RBH-5, from January 1992 through October 31, 2011 the average risk premium was approximately 5.48 percent, and the average Treasury yield was approximately 5.54 percent. Based on the regression coefficients provided in Schedule RBH-5, however, the risk premium would be 6.94 percent when using the current 30-day average of the 30-year United States Treasury Bond Yield, resulting in an ROE of 10.03 percent. Based on the near- and long-term projections of the 30-year Treasury Bond Yields, the resulting ROE is 10.24 percent and 11.06 percent, respectively.

³⁶ In order to ensure that the regression coefficients were not biased as a result of serially correlated error terms, the equation presented in Schedule RBH-5 was also estimated using the Prais-Winsten corrective routine. That equation continues to produce a negative slope coefficient and a range of ROE estimates from 10.06 percent to 11.06 percent.

1 **VI. BUSINESS RISKS AND OTHER COST CONSIDERATIONS**

2 **59. Q: Do the mean DCF, CAPM, and Bond Yield Plus Risk Premium results**
3 **for the proxy group provide an appropriate estimate for the Cost of**
4 **Equity for Delmarva?**

5 **A:** No, the mean DCF, CAPM, and Bond Yield Plus Risk Premium
6 results do not necessarily provide an appropriate estimate of Delmarva's
7 Cost of Equity. In my view, there are additional factors that must be taken
8 into consideration when determining where the Company's Cost of Equity
9 falls within the range of results. Those risk factors and business costs,
10 which I discuss below, should be considered in terms of their overall
11 effect on Delmarva's business risk, and, therefore, its Cost of Equity.
12 While I did not include any explicit adjustments to my ROE estimates for
13 these factors, I did take them into consideration when determining where
14 Delmarva's ROE falls within my range of analytical results.

15 **A. Small Size**

16 **60. Q: Please explain the risk associated with small size.**

17 **A:** Both the financial and academic communities have long accepted
18 the proposition that the Cost of Equity for small firms is subject to a "size
19 effect."³⁷ While empirical evidence of the size effect often is based on
20 studies of industries beyond regulated utilities, utility analysts also have

³⁷ See Mario Levis, The record on small companies: A review of the evidence, Journal of Asset Management2, March 2002, at 368-397, for a review of literature relating to the size effect.

1 noted the risks associated with small market capitalizations. Specifically,

2 Ibbotson Associates noted:

3 For small utilities, investors face additional obstacles, such
4 as smaller customer base, limited financial resources, and a
5 lack of diversification across customers, energy sources,
6 and geography. These obstacles imply a higher investor
7 return.³⁸

8 Small size, therefore, leads to two categories of increased risk for
9 investors: (1) liquidity risk (*i.e.*, the risk of not being able to sell one's
10 shares in a timely manner due to the relatively thin market for the
11 securities); and (2) fundamental business risks.

12 **61. Q: How does Delmarva compare in size to the proxy companies?**

13 **A:** Delmarva is somewhat smaller than the average for the proxy
14 group companies both in terms of numbers of customers and annual
15 revenues. Schedule RBH-6 estimates the implied market capitalization for
16 Delmarva (*i.e.*, the implied market capitalization if Delmarva's Delaware
17 electric utility were a stand-alone, publicly traded entity). That is, because
18 Delmarva is not a separately traded entity, an estimated stand-alone
19 market capitalization for Delmarva must be calculated. The implied
20 market capitalization of Delmarva is calculated by applying the median
21 market-to-book ratio for the proxy group of 1.26 to the utility's implied
22 total common stock equity of \$281.76 million.³⁹ The implied market
23 capitalization based on that calculation is \$356.03 million, which is below

³⁸ Michael Annin, Equity and the Small-Stock Effect, Public Utilities Fortnightly, October 15, 1995.
³⁹ Equity value of Delmarva's Delaware electric utility estimated from proposed rate base and recommended capital structure.

1 all of the nine members of the proxy group and well below the proxy
2 group median of \$2.72 billion.

3 62. Q: How does the comparatively small size of Delmarva affect its business
4 risks relative to the proxy group of companies?

5 A: In general, smaller companies are less able to withstand adverse
6 events that affect their revenues and expenses. The effect of weather
7 variability, the loss of large customers to bypass opportunities, or the
8 destruction of demand as a result of general macroeconomic conditions or
9 fuel price volatility will have a proportionately greater impact on the
10 earnings and cash flow volatility of smaller utilities. Similarly, capital
11 expenditures for non-revenue producing investments such as system
12 maintenance and replacements will put proportionately greater pressure on
13 customer costs, potentially leading to customer attrition or demand
14 reduction. Taken together, these risks affect the return required by
15 investors for smaller companies.

16 63. Q: Have you considered the comparatively small size of Delmarva in
17 your recommended return on equity for this company?

18 A: Yes. While I have quantified the small size effect, rather than
19 proposing a specific premium, I have considered the small size of
20 Delmarva in my assessment of business risks in order to determine where,
21 within a reasonable range of returns, Delmarva's required ROE
22 appropriately falls. In that regard, Delmarva's comparatively small size

1 further supports my conclusion that an ROE of 10.75 is a reasonable
2 estimate of the Company's Cost of Equity.

3 **64. Q: How did you estimate the size premium for Delmarva?**

4 **A:** In its Risk Premia Over Time Report: 2011, Morningstar Inc.
5 presents its calculation of the size premium for deciles of market
6 capitalizations relative to the S&P 500 Index. An additional estimate of
7 the size premium associated with Delmarva, therefore, is the difference in
8 the Morningstar size risk premia for the proxy group median market
9 capitalization relative to the implied market capitalization for Delmarva.

10 As shown on Schedule RBH-6, according to recent market data,
11 the median market capitalization of the proxy group was approximately
12 \$2.72 billion, which corresponds to the 4th decile of Morningstar market
13 capitalization data. Based on the Morningstar analysis, that decile has a
14 size premium of 1.20 percent (or 120 basis points). The implied market
15 capitalization for Delmarva's Delaware electric utility is approximately
16 \$356.03 million, which falls within the 9th decile and corresponds to a size
17 premium of 2.94 percent (or 294 basis points). The difference between
18 those size premia is 174 basis points (2.94 percent – 1.20 percent).

19 **65. Q: Are there other factors that offset the effect of smaller size on**
20 **Delmarva?**

21 **A:** No, I do not believe so. I considered that possibility, but
22 concluded that, in light of the risks discussed earlier, Delmarva does not

1 have advantages on balance over the proxy group that would offset the
2 added risk of smaller size.

3 **B. Regulatory Risk**

4 **66. Q: Please explain how the regulatory environment affects investors' risk**
5 **assessments.**

6 **A:** The ratemaking process is premised on the principle that, in order
7 for investors and companies to commit the capital needed to provide safe
8 and reliable utility services, the subject utility must have the opportunity to
9 recover the return of, and the market-required return on, invested capital.
10 Regulatory commissions recognize that because utility operations are
11 capital intensive, regulatory decisions should enable the utility to attract
12 capital at reasonable terms; doing so balances the long-term interests of
13 investors and customers. In that respect, the regulatory environment is
14 one of the most important factors considered in both debt and equity
15 investors' risk assessments.

16 From the perspective of debt investors, the authorized return
17 should enable the Company to generate the cash flow needed to meet its
18 near-term financial obligations, make the capital investments needed to
19 maintain and expand its system, and maintain sufficient levels of liquidity
20 to fund unexpected events. This financial liquidity must be derived not
21 only from internally generated funds, but also by efficient access to capital
22 markets. Moreover, because fixed income investors have many
23 investment alternatives, even within a given market sector, the Company's

1 financial profile must be adequate on a relative basis to ensure its ability to
2 attract capital under a variety of economic and financial market
3 conditions.

4 From the perspective of equity investors, the authorized return
5 must be adequate to provide a risk-comparable return on the equity portion
6 of the Company's capital investments. Because equity investors are the
7 residual claimants on the Company's cash flows (which is to say that the
8 equity return is subordinate to interest payments), they are particularly
9 concerned with the strength of regulatory support and its effect on future
10 cash flows.

11 The financial community monitors not only the regulatory
12 environment in which utility companies operate, but also the current and
13 expected conditions of the capital markets from which utilities must attract
14 long-term capital. Therefore, it is important for the ROE authorized in this
15 proceeding to consider the capital market conditions with which Delmarva
16 must contend, as well as investors' expectations and requirements relating
17 to both risks and returns. In light of recent capital market conditions in
18 general, and the Company's business risks in particular, it is important that
19 Delmarva be afforded the opportunity to maintain an adequate financial
20 profile and to earn a reasonable return.

1 **67. Q: Please explain how credit rating agencies consider regulatory risk in**
2 **establishing a company's credit rating.**

3 **A:** There is little question that rating agencies consider the regulatory
4 environment, including the extent to which the presiding regulatory
5 commission is supportive of issues affecting credit quality, to be an
6 important determinant of the subject company's credit profile. For
7 example, in its assessment of U.S. utility regulatory environments, S&P
8 stated, "we believe the fundamental regulatory environment in the
9 jurisdictions in which a utility operates often influence credit quality the
10 most."⁴⁰

11 It is important to note that regulatory decisions regarding the ROE
12 and capital structure have direct consequences for the subject utility's
13 internal cash flow generation (sometimes referred to as "Funds Flow from
14 Operations," or "FFO"). Because credit ratings are intended to reflect the
15 ability to meet financial obligations as they come due, the ability to
16 generate the cash flows required to meet those obligations (and to provide
17 an additional amount for unexpected events) is of critical importance to
18 debt investors. Two of the most important metrics used to assess that
19 ability are the ratios of FFO to debt and FFO to interest expense, both of
20 which are directly affected by regulatory decisions regarding the
21 appropriate rate of return and capital structure.

⁴⁰ Standard & Poor's, Assessing U.S. Utility Regulatory Environments, March 11, 2010, at 2.

1 **68. Q: Have the credit ratings agencies assessed specifically the regulatory**
2 **environment in Delaware?**

3 **A:** Yes. S&P assesses each jurisdiction in the U.S., and assigns it a
4 ranking on a five grade scale from “most credit supportive” to “least credit
5 supportive.” In its most recently published report, S&P assessed Delaware
6 as being “least credit supportive.”⁴¹ As show in Schedule RBH-7, of the
7 proxy group companies, only Pinnacle West Capital operates in a “least
8 credit supportive” jurisdiction (*i.e.*, Arizona).

9 **69. Q: What is your conclusion regarding the effect of Delmarva’s regulatory**
10 **environment on its ROE?**

11 **A:** The regulatory environment in which a company operates is of
12 significant importance to investors. Furthermore, S&P has assessed
13 Delaware as posing greater regulatory risk than the jurisdictions within
14 which the proxy group companies operate, suggesting greater regulatory
15 risk for Delmarva than on average for the proxy group.

16 **C. Flotation Cost Adjustment**

17 **70. Q: What are flotation costs?**

18 **A:** Flotation costs are the costs associated with the sale of new issues
19 of common stock. These costs include out-of-pocket expenditures for
20 preparation, filing, underwriting, and other costs of issuance of common
21 stock.

⁴¹ Standard & Poor’s, Standard & Poor’s Updates its U.S. Utility Regulatory Assessments, March 12, 2010, at 1.

1 **71. Q: Why is it important to recognize flotation costs in the allowed ROE?**

2 **A:** In order to attract and retain new investors, a regulated utility must
3 have the opportunity to earn a return that is both competitive and
4 compensatory. To the extent that a company is denied the opportunity to
5 recover prudently incurred flotation costs, actual returns will fall short of
6 expected (or required) returns, thereby diminishing its ability to attract
7 adequate capital on reasonable terms.

8 **72. Q: Are flotation costs part of the utility's invested costs or part of the**
9 **utility's expenses?**

10 **A:** Flotation costs are part of the invested costs of the utility, which
11 are properly reflected on the balance sheet of the utility under "paid in
12 capital." They are not current expenses, and therefore are not reflected on
13 the income statement. Rather, like investments in rate base or the issuance
14 costs of long-term debt, flotation costs are incurred over time. As a result,
15 the great majority of a utility's flotation cost is incurred prior to the test
16 year, but remain part of the cost structure that exists during the test year
17 and beyond, and as such, should be recognized for ratemaking purposes.
18 Therefore, this adjustment is appropriate even if no new issuances are
19 planned in the near future because failure to allow such an adjustment may
20 deny Delmarva the opportunity to earn its required rate of return in the
21 future.

1 **73. Q: Is the need to consider flotation costs eliminated because Delmarva is**
2 **a wholly-owned operating subsidiary of PHI?**

3 **A:** No. Although Delmarva is a wholly-owned subsidiary of PHI, it is
4 appropriate to consider flotation costs because wholly-owned subsidiaries
5 receive equity capital from their parents and provide returns on the capital
6 that roll up to the parent, which is designated to attract and raise capital
7 based upon the returns of those subsidiaries. To deny recovery of issuance
8 costs associated with the capital that is invested in the subsidiaries
9 ultimately will penalize the investors that fund the utility operations and
10 will inhibit the utility's ability to obtain new equity capital at a reasonable
11 cost. This is important for companies such as Delmarva that are planning
12 continued capital expenditures in the near term, and for which access to
13 capital (at reasonable cost rates) to fund such required expenditures will be
14 critical.

15 **74. Q: Do the DCF and CAPM models already incorporate investor**
16 **expectations of a return that compensates for flotation costs?**

17 **A:** No. All the models used to estimate the appropriate ROE assume
18 no "friction" or transaction costs, as these costs are not reflected in the
19 market price (in the case of the DCF model) or risk premium (in the case
20 of the CAPM). Therefore, it is appropriate to consider flotation costs in
21 determining where within the range of reasonable returns Delmarva's
22 return should fall.

1 **75. Q: Is the need for a flotation cost adjustment recognized by the academic**
2 **and financial communities?**

3 **A:** Yes. The need to reimburse investors for equity issuance costs is
4 justified by the academic and financial communities in the same spirit that
5 investors are reimbursed for the costs of issuing debt. This treatment is
6 consistent with the philosophy of a fair rate of return. According to Dr.
7 Shannon Pratt:

8 Flotation costs occur when a company issues new stock.
9 The business usually incurs several kinds of flotation or transaction
10 costs, which reduce the actual proceeds received by the business.
11 Some of these are direct out-of-pocket outlays, such as fees paid to
12 underwriters, legal expenses, and prospectus preparation costs.
13 Because of this reduction in proceeds, the business's required
14 returns must be greater to compensate for the additional costs.
15 Flotation costs can be accounted for either by amortizing the cost,
16 thus reducing the net cash flow to discount, or by incorporating the
17 cost into the cost of equity capital. Since flotation costs typically
18 are not applied to operating cash flow, they must be incorporated
19 into the cost of equity capital.⁴²

20 **76. Q: Is the need for a flotation cost adjustment recognized by other**
21 **regulatory jurisdictions?**

22 **A:** Yes. The need to recover the cost of issuing equity capital is
23 recognized by a number of state regulatory commissions. For instance,
24 the Minnesota Public Utility Commission has stated:

25 Issuance or flotation costs are not simply for use in years
26 when the company is issuing common stock. They
27 represent the difference between what the investors paid
28 and the company received during public offerings, and,

⁴² Shannon P. Pratt, Roger J. Grabowski, Cost of Capital: Applications and Examples, 4th ed. (John Wiley & Sons, Inc., 2010), at 586.

1 because there is no fixed life, as there is with a bond,
2 they must be recovered through a return adjustment...⁴³

3 Similarly, the South Carolina Public Service Commission noted that:

4 [F]lotation costs are not an expense to be recovered during a particular
5 period. Instead, they represent a difference in the amount of funds
6 that investors have invested in the Company compared to the
7 amount the Company actually receives.

8 ***

9 Accordingly, the Commission finds that the reliable, probative and
10 substantial evidence on the record establishes that flotation
11 adjustments are indeed appropriate in this case to reflect SCE&G's
12 recent issuance of new equity and the fact that these costs are not
13 otherwise recovered in setting rates.⁴⁴

14
15 **77. Q: Is there support for this approach?**

16 **A:** Yes. Several economists have recognized that the flotation cost
17 adjustment is made not to reflect current or future financing costs, but
18 rather to compensate investors for costs incurred for all past issuances
19 comprising the total equity portion of Delmarva's capitalization. An
20 article in *The Journal of Finance*, for example, noted that:

21 Under the conventional approach in other words, the
22 flotation cost adjustment is not made to reflect current or
23 future financing costs ...it is made to compensate investors
24 for costs incurred in preceding stock issues.⁴⁵

⁴³ See In the Matter of the Application of Minnesota Power for Authority to Change its Schedule of Rates for Retail Electric Service in the State of Minnesota, Findings of Fact, Conclusions of Law, and Order, Docket No. E-015/GR-94-001 at 56 (November 22, 1994) and Direct Testimony and Schedule of Marlon F. Griffing, Docket No. G002/GR-04-1511, at 20. See also In the Matter of the Application of Otter Tail Corporation d/b/a/ Otter Tail Power Company for Authority to Increase Rates for Electric Utility Service in Minnesota, Docket No. E-017-GR-07-1178, Findings of Fact, Conclusions and Recommendations, at 12 (June 17, 2008).

⁴⁴ Public Service Commission of South Carolina, Docket No. 2002-223-E-Order No. 2003-38, January 31, 2003, at 72-73.

⁴⁵ Cleveland S. Patterson, Flotation Cost Allowance in Rate of Return Regulation: Comment, *The Journal of Finance*, Vol. XXXVIII, No. 4, September 1983, at 1337 (clarification and emphasis added).

1 **78. Q: How did you calculate the flotation costs?**

2 **A:** My flotation cost calculation was based on the costs of issuing
3 equity that were incurred by PHI and the proxy group companies in their
4 two most recent common equity issuances. Based on the issuance costs
5 provided in Schedule RBH-8, flotation costs for Delmarva are
6 approximately 0.15 percent (*i.e.*, 15 basis points).

7 **79. Q: Are you proposing to adjust your recommended ROE by 15 basis**
8 **points to reflect the effect of flotation costs on Delmarva's ROE?**

9 **A:** No, I am not. Rather, I have considered the effect of flotation
10 costs, in addition to the Company's other business risks, in determining
11 where the Company's ROE falls within the range of results.

12 **D. Capital Expenditures**

13 **80. Q: Please summarize the Company's capital expenditure plans.**

14 **A:** The Company estimates that from 2012 to 2016 it will invest
15 approximately \$393.00 million in electric distribution infrastructure in
16 Delaware.⁴⁶ Those expenditures are to maintain system requirements and
17 to assure reliability.

18 To put those planned investment amounts in perspective, the
19 Company had \$611.93 million net plant in service at the end of 2010.⁴⁷ As
20 such, the five-year investment plan represents an increase of
21 approximately 88.65 percent over the Company's existing rate base.

⁴⁶ Please see page 7, Table 4 of the Direct Testimony of William M. Gausman.
⁴⁷ Net plant in service provided by the Company.

1 81. Q: How is the Company's risk profile affected by the substantial increase
2 in its planned capital expenditures?

3 A: As with any utility faced with a substantial capital expenditure
4 plan, the Company's risk profile is adversely affected in two significant
5 and related ways: (1) the heightened level of investment increases the risk
6 of under-recovery, or the delayed recovery of the invested capital; and (2)
7 an inadequate authorized return would put downward pressure on key
8 credit metrics.

9 82. Q: Do credit rating agencies recognize the risks associated with increased
10 capital expenditures?

11 A: Yes, they do. From a credit perspective, the additional pressure on
12 cash flows associated with high levels of capital expenditures exerts
13 corresponding pressure on credit metrics and, therefore, credit ratings.
14 S&P noted several long term challenges for utilities' financial health
15 including: heavy construction programs to address demand growth,
16 declining capacity margins, an aging infrastructure and regulatory
17 responsiveness to mounting requests for rate increases. S&P further noted
18 that:

19 To sustain their current credit quality in the face of these
20 long-lived challenges, utilities need to have established—
21 and be able to maintain—a firm credit foundation. This
22 will require a strong and effective working relationship
23 among management, regulators, and increasingly
24 legislators and governors, in the planning and execution of
25 strategies. A comprehensive vetting and understanding of
26 the risks associated with the regulatory mechanisms under
27 which the utility will recover its investment, which could

1 include a cash return during construction and timely
2 recognition of volatile costs, will be paramount in
3 preserving creditworthiness.⁴⁸

4 Therefore, to the extent that the Company's current regulatory
5 structure cannot meet the Company's objectives, the Company will face
6 increased recovery risk and thus increased pressure on its credit metrics.

7 **83. Q: Are equity investors also concerned with comparatively high levels of**
8 **capital expenditures?**

9 **A:** Yes, equity investors also recognize the pressure on cash flows and
10 earnings associated with relatively high levels of capital expenditures. For
11 example, KeyBanc Capital Markets (KeyBanc) conducts a quarterly
12 review of the electric utility industry. In a recent report, KeyBanc noted
13 that:

14 Although capital markets have improved since early 2009,
15 liquidity and capital costs remain a concern, as costs for
16 credit have generally become more expensive and available
17 durations have shrunk. Higher interest costs will likely
18 continue to pressure earnings until regulatory lag is better
19 addressed.

20 ***

21 Credit and liquidity concerns have driven many companies
22 to revisit capital spending plans and reassess operational
23 efficiencies.⁴⁹

⁴⁸ Standard & Poor's Ratings Direct, Industry Report Card: Utility Sectors In the Americas Remain Stable, While Challenges Beset European, Australian, and New Zealand Counterparts, June 27, 2008, at 4.

⁴⁹ KeyBanc Capital Markets Inc., Electric Utilities Quarterly 4Q10, March 2011, at 7.

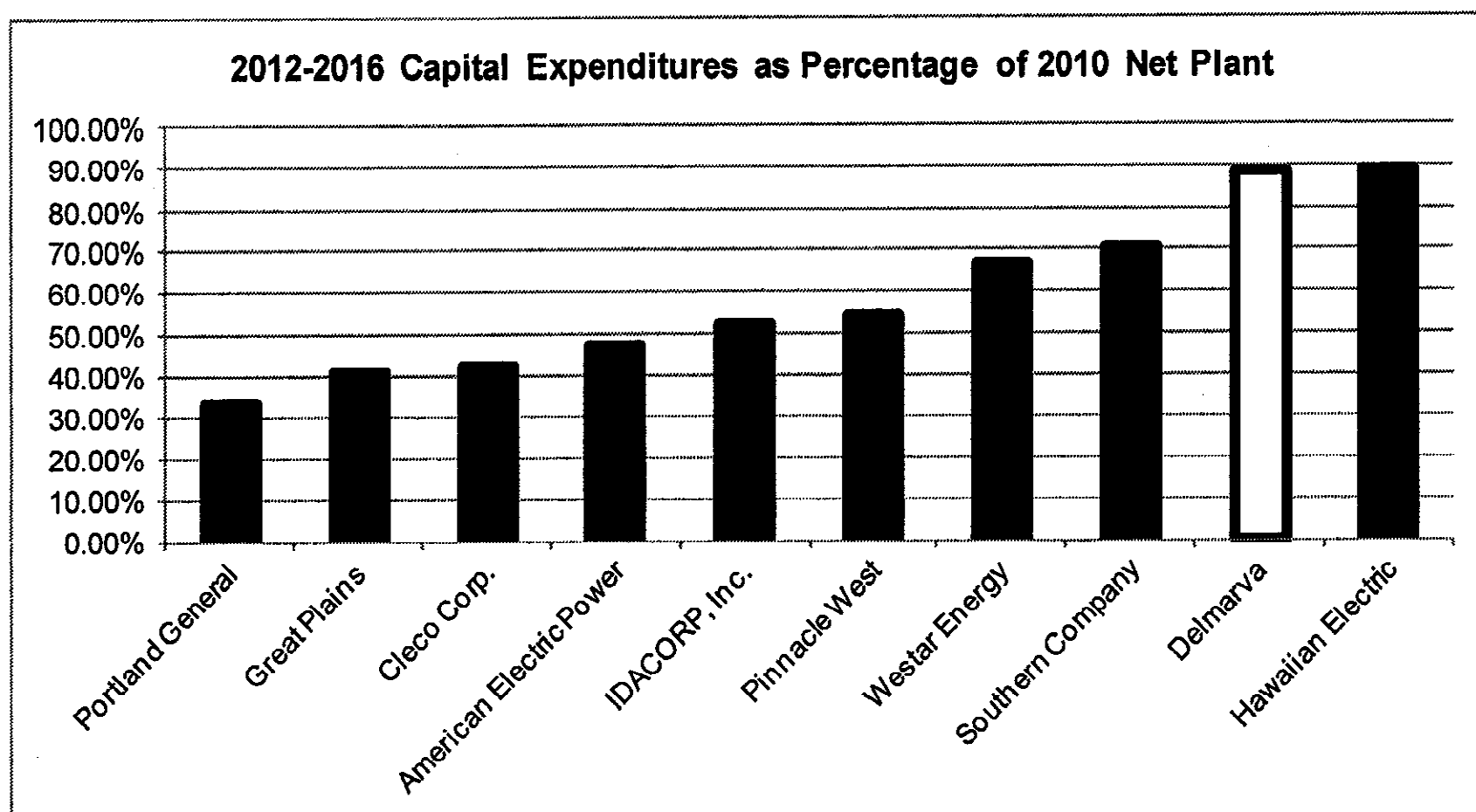
1 84. Q: Will the Company need continued access to the capital markets in
2 order to finance its capital expenditures?

3 A: Yes. When the level of capital expenditures outpaces the growth
4 in internally generated cash, there is increasing pressure to access the
5 external capital markets. Given the size and long-term nature of the
6 anticipated capital expenditures, the Company will require continued
7 access to external capital, at reasonable terms, in order to finance its
8 capital expenditure plan. As noted throughout my testimony, Delmarva's
9 ability to generate internal cash flow and access the capital markets will be
10 directly affected by the Commission's order in this proceeding.

11 85. Q: How does the level of the Company's expected capital expenditures
12 compare to the proxy group?

13 A: In order to reasonably make that comparison, I calculated the ratio
14 of expected capital expenditures to net plant for each of the companies in
15 the Proxy Group. For the projected period from 2012-2016, I performed
16 that calculation using the Company's projected capital expenditures and
17 its net plant in service at the end of 2010. As shown in Schedule RBH-9,
18 the Company's projected level of capital expenditures is 1.16 times the
19 proxy group average (*see also Chart 6, below*).

Chart 6: Comparison of Capital Expenditures⁵⁰



86. Q: What are your conclusions regarding the effect of the Company's capital investment plan on its risk profile and cost of capital?

A: It is clear that on a relative basis, the Company's capital expenditure program is significant. It also is clear that the financial community recognizes the additional risks associated with substantial capital expenditures and that those risks are reflected in market valuation multiples. In my view, these factors suggest a high level of risk relative to the proxy group.

⁵⁰ Source: Proxy group estimates based on Value Line data. Delmarva data provided by the Company.

E. Effect of a Modified Fixed Variable Rate Design on the Company's Cost of Equity

87. Q: Are you aware that an MFV rate design is currently being considered for electric utilities in PSC Docket No. 09-276T?

A: Yes, I am. In the Company's last rate case, the Commission approved the provision of the Third Settlement Agreement in which the participants agreed to conduct workshops on the mechanics of an MFV rate design to be submitted to the Commission.⁵¹ The currently proposed MFV rate structure is discussed further in the Direct Testimony of Company Witness Santacecilia.⁵²

88. Q: How common are revenue stabilization mechanisms?

A: There is little question that revenue stabilization structures are becoming increasingly common. The increased interest in such mechanisms has generally resulted from the growing cost of maintaining system reliability, coupled with the flat or declining volume brought on by energy efficiency and relatively slow economic growth. According to an April 2011 report published by Regulatory Research Associates (RRA), revenue decoupling has been implemented by electric utilities in 18 states.⁵³

51 In the matter of the application of Delmarva Power & Light Company for an increase in electric base rates and miscellaneous tariff changes; Final Findings, Opinion and Order No. 8011; PSC Docket No. 09-414 at 122-123.

52 Please see page 2 of the Direct Testimony of Marlene C. Santacecilia.

53 Regulatory Research Associates, Decoupling Mechanisms/Straight-Fixed-Variable Rate Design:
A State-By State Overview, April 5, 2011, at 2.

1 Moreover, public policy has placed an increasing focus on
2 alternative regulation and revenue stabilization structures, and as such,
3 base rate proceedings are not the only forum in which investors and
4 analysts are made aware of the issue. In that regard, the American
5 Recovery and Reinvestment Act of 2009 endorses the implementation of
6 such structures for energy efficiency and conservation purposes:

7 The applicable State regulatory authority will seek to
8 implement, in appropriate proceedings for each electric and
9 gas utility, with respect to which the State regulatory
10 authority has ratemaking authority, a general policy that
11 ensures that utility financial incentives are aligned with
12 helping customers use energy more efficiently and that
13 provide timely cost recovery and a timely earnings
14 opportunity for utilities associated with cost-effective
15 measurable and verifiable efficiency savings, in a way that
16 sustains or enhances utility customers' incentives to use
17 energy more efficiently.⁵⁴

18 Consequently, the implementation of alternative regulation
19 mechanisms has become an increasingly visible issue to investors.
20

21 **89. Q: Are revenue stabilization mechanisms common among the proxy**
22 **group companies?**

23 **A:** Yes, they are. Schedule RBH-10 provides a summary of revenue
24 stabilization mechanisms and cost trackers currently in effect at each
25 electric utility subsidiary of the proxy group companies. As Schedule
26 RBH-10 demonstrates, there are a substantial number of recovery
27 mechanisms in place at the proxy companies. By extension, Schedule
28 RBH-10 demonstrates that implementing a decoupling mechanism would

⁵⁴ S. 1--111th Congress: American Recovery and Reinvestment Act of 2009, at 33.

1 only increase the degree to which Delmarva is comparable to the proxy
2 group in terms of its regulatory treatment.

3 **90. Q. Does the financial community recognize the benefit of revenue**
4 **stabilization mechanisms?**

5 A. Yes. Equity and credit analysts often consider revenue
6 stabilization mechanisms as a component in their overall risk assessment
7 of a subject company. For instance, Macquarie Equities Research noted in
8 regards to Hawaiian Electric:

9 Decoupling decision still matters most. We continue to
10 believe the most important event for HE will be the Hawaii
11 PUC's final decision on decoupling.⁵⁵

12 J.P Morgan stated the following regarding regulatory risk and
13 decoupling for Portland General Electric:

14 The company's decoupling rider, however, was extended
15 through the end of 2013, which in our view is an important
16 mechanism that partially shields the utility from earnings
17 fluctuations driven by energy efficiency programs and
18 conservation measures, both of which have accelerated in
19 the context of a weak economy. Furthermore, the
20 deadbands embedded in POR's power cost adjustment
21 mechanism (PCAM) were fixed, thereby limiting the
22 potential negative impact on earnings. Hence, we consider
23 the rate case settlement as reasonably constructive, and
24 would expect the company to seek ways to incorporate
25 more tracking mechanisms in its regulatory construct going
26 forward.⁵⁶

27 In addition, Fitch Ratings, in a report on Westar, Inc., noted the following:

28 The ratings and Positive Rating Outlook on Westar and
29 KGE primarily reflect recent regulatory decisions and cost-
30 recovery mechanisms that will allow the utility to earn a

⁵⁵ *Hawaiian Electric Industries*, Macquarie Equities Research, May 12, 2010, at 1.

⁵⁶ *Portland General Electric Co.*, J.P. Morgan, December 03 2010, at 7.

1 reasonable return on invested capital and limit the negative
2 effects of commodity price volatility.⁵⁷

3 In recent years the KCC has implemented several cost-
4 recovery mechanisms that facilitate recovery of fuel and
5 purchase power costs and environmental and transmission
6 investments outside of GRC proceedings. These rate riders
7 have reduced regulatory lag and provided stability to the
8 financial profile. The retail energy cost adjustment
9 (RECA) adjusts fuel and purchased power prices on a
10 quarterly basis and settles the associated accruals and
11 deferrals annually, largely mitigating the negative effects of
12 fuel and power price volatility. The environmental cost
13 recovery rider (ECRR) adjusts retail rates annually to
14 reflect capital costs for emission controls, which are
15 expected to account for 40% of consolidated capital
16 expenditures during the 2010-2012 time period. Other
17 cost-recovery mechanisms authorized by the KCC include
18 a transmission cost-recovery rider for retail rates and a
19 pension and other post-employment benefits expense
20 tracker. In addition, the Federal Energy Regulatory
21 Commission (FERC) allows for recovery of transmission
22 capital expenditures and cost of service through a formula
23 rate that is updated annually.⁵⁸

24 And, finally, RBC Capital Markets noted the following regarding

25 IDACORP, Inc.'s current decoupling mechanism:

26 IDA uses two mechanisms that combine for a quasi-
27 decoupled structure. The Load Growth Adjustment
28 mechanism (LGAR) refunds revenues associated with load
29 growth in excess of forecasts. The Fixed Cost Adjustment
30 (FCA) mechanism ensures that revenues adequately cover
31 fixed costs on a per customer and per MWh basis. These
32 two measures provide support for energy efficiency lost
33 sales, but fall short of full decoupling. Variable costs
34 impacted by weather, for example, are not covered. These
35 mechanisms seem unnecessarily complex, but are
36 consistently approved as filed by the Commission.⁵⁹

⁵⁷ *Westar Energy Inc.*, Fitch Ratings, June 1, 2010, at 1.

⁵⁸ *Ibid.*

⁵⁹ *IDACORP, Inc., Bumps Before Growth*, RBC Capital Markets, January 19, 2011 at 3.

1 Based on those comments, it is reasonable to assume that the effect, if any,
2 of revenue stabilization mechanisms already are reflected in the proxy companies'
3 market prices.

4 91. Q. Have you reviewed case materials from proceedings in other
5 jurisdictions in which decoupling mechanisms were approved?

6 A. Yes. I have surveyed rate proceedings in which decoupling
7 mechanisms were authorized in order to determine the frequency and
8 extent to which the ROE authorized in those proceedings was adjusted as a
9 direct consequence of the decoupling mechanisms. Schedule RBH-11
10 summarizes the cases that were included in my review. As shown in that
11 schedule, I reviewed the decisions in 39 electric utility rate proceedings,
12 all of which having adopted revenue decoupling since July, 2007. I
13 reviewed each of the Orders from those cases to find what, if any,
14 adjustment was made to the authorized ROE specifically as a result of the
15 adoption of the decoupling mechanism.

16 92. Q. What did that analysis reveal?

17 A. My review found that in the majority of cases, utility commissions
18 have not made explicit adjustments to the authorized ROEs in response to
19 the implementation of decoupling mechanisms. Of the 39 electric utility
20 proceedings that I reviewed for my analysis, 21 of them had no change to
21 their authorized ROE as a result of the implementation of a decoupling
22 mechanism. Of the remaining 18 proceedings in which a utility
23 commission did order an adjustment to the ROE specifically because of

1 the decoupling implementation, 7 had no defined adjustment. Finally, of
2 the 11 cases in which there was an explicit adjustment to the ROE, 7 were
3 50 basis point adjustments authorized by either the District of Columbia or
4 Maryland. The remaining 4 cases resulted in adjustments of 10 to 25 basis
5 points.⁶⁰

6 **93. Q: What is your conclusion regarding the effect revenue decoupling**
7 **would have on the Company's Cost of Equity?**

8 **A:** As noted above, revenue stabilization structures are becoming
9 increasingly common for many companies facing an inability to recover
10 prudently incurred fixed costs. Furthermore, investors are expecting that
11 some form of stabilization will be implemented in utility rate regulation.
12 In addition, the proxy group companies have implemented many forms of
13 rate stabilization mechanisms that provide for risk mitigation similar to
14 that which would be provided by a revenue-decoupled rate design.
15 Moreover, there is no conclusive evidence of which I am aware indicating
16 that companies that have implemented such structures either have lower
17 required ROEs (or have significantly different market valuations). I
18 therefore conclude that a revenue-decoupled rate design would have no
19 effect on my recommended ROE.
20

⁶⁰ As shown in Schedule RBH-11, the Oregon Public Service Commission authorized a 10 basis point adjustment in two cases, the New York Public Service Commission authorized a 10 basis point adjustment in one case, and the Montana Public Service Commission authorized a 25 basis point adjustment in one case.

1 **VII. CAPITAL STRUCTURE**

2 **94. Q: What is the Company's projected capital structure?**

3 A: As described in the Direct Testimony of Company Witness
4 McGowan, the Company's proposed capital structure consists of 49.48
5 percent common equity and 50.52 percent long-term debt.⁶¹

6 **95. Q: Please discuss your analysis of the capital structures of the proxy**
7 **group companies.**

8 A: My analysis of the actual proxy group capital structures is provided
9 in Schedule RBH-12. As shown in that schedule, I calculated the mean of
10 the proportions of common equity and long-term debt over the most recent
11 eight quarters⁶² for the utility operating companies held by each of the
12 proxy group companies.

13 **96. Q: Please summarize the results of your analysis.**

14 A: As shown in Schedule RBH-12, the Company's proposed capital
15 structure of 49.48 percent common equity and 50.52 percent long-term
16 debt are within the range of the capital structures in place at the utility
17 operating companies held within my proxy group. I note, however, that
18 the degree of debt leverage (50.52 percent) is somewhat higher than the
19 proxy group average, indicating a comparatively higher level of financial
20 risk.

⁶¹ Please see page 4 of the Direct Testimony of Kevin M. McGowan.

⁶² In this analysis, I calculated the average capital structure using the quarterly capital structures reported for the proxy group companies for the period from September 2009 through June 2011.

1 97. Q: What is your conclusion regarding an appropriate capital structure
2 for Delmarva?

3 A: Considering the actual capital structures in place at the proxy
4 group companies and the Company's capital investment program, I
5 believe that the proposed equity ratio of 49.48 percent is reasonable. As
6 noted above, however, the comparatively high level of debt leverage
7 suggests a higher level of financial risk relative to the proxy group. As
8 with the Company's comparatively small size and capital investment
9 plans, its somewhat higher level of debt leverage suggests that my ROE
10 recommendation is reasonable, if not conservative.

11 98. Q. Will the capital structure and ROE authorized in this proceeding
12 affect the Company's ability to complete its capital expenditure plan?

13 A: Yes, I believe so. The level of earnings authorized by the
14 Commission directly affects the Company's ability to fund capital
15 investment with internally generated funds; and both lenders and equity
16 investors expect a significant portion of on-going capital investments to be
17 financed with internally generated funds. The need to generate funds
18 internally also is important in light of the constrained, volatile, and
19 expensive capital market conditions.

20 It also is important to realize that investors weigh a given utility's
21 authorized ROE in the context of the nature of its expected capital
22 investments. Because a utility's investment horizon is very long, investors
23 require the assurance of a sufficiently high return to satisfy the long-run

1 financing requirements of the assets it puts into service. Those assurances,
2 which often are measured by the relationship between internally generated
3 cash flows and debt (or interest expense), depend quite heavily on the
4 capital structure. As a consequence, both the ROE and capital structure
5 are very important to both debt and equity investors. Given the capital
6 market conditions and the Company's significant financing requirements,
7 the authorized ROE and capital structure are extremely important
8 considerations in this proceeding.

9 **VIII. SUMMARY AND CONCLUSIONS**

10 **99. Q: Please summarize your recommended return on common equity**
11 **calculations, taking into consideration the business risk issues**
12 **discussed above.**

13 **A:** Based on the results presented in Table 8, I believe that an ROE in
14 the range of 10.50 percent to 11.25 percent reasonably represents the
15 range of the Cost of Equity for Delmarva in today's capital markets. I
16 further believe that within that range, an ROE of 10.75 percent is
17 reasonable, if not conservative.

18 Finally, I believe that my recommended return balances the
19 interests of customers and shareholders by enabling the Company to
20 maintain its financial integrity and thus its ability to attract capital at
21 reasonable rates.

1

Table 8: Mean ROE Estimates

| | Mean Low Results | Mean Results | Mean High Results |
|--|--|---------------------------------|-----------------------------|
| Constant Growth DCF Results | | | |
| 30-day Average Stock Price | 9.57% | 10.44% | 11.38% |
| 90-day Average Stock Price | 9.65% | 10.51% | 11.46% |
| 180-day Average Stock Price | 9.66% | 10.53% | 11.47% |
| | | | |
| Ex-Ante CAPM Results | | | |
| | Sharpe Ratio Derived Market Risk Premium | DCF Derived Market Risk Premium | |
| | Eighteen-month Beta Coefficient | | |
| Current 30-Year Treasury Yield (3.09%) | 11.12% | 10.74% | |
| Projected 30-Year Treasury Yield (3.60%) | 11.63% | 11.24% | |
| | Value Line Beta Coefficient | | |
| Current 30-Year Treasury Yield (3.09%) | 10.59% | 10.23% | |
| Projected 30-Year Treasury Yield (3.60%) | 11.10% | 10.74% | |
| | Bloomberg Beta Coefficient | | |
| Current 30-Year Treasury Yield (3.09%) | 11.23% | 10.84% | |
| Projected 30-Year Treasury Yield (3.60%) | 11.74% | 11.35% | |
| | | | |
| Bond Yield Plus Risk Premium Analysis | | | |
| | Current (3.09%) | Near-Term Projected (3.60%) | Long-Term Projected (5.65%) |
| 30-Year Treasury Yield | 10.03% | 10.24% | 11.06% |

2

3 100. Q: Does this conclude your testimony?

4 A: Yes, it does.

Robert B. Hevert, CFA
President

Mr. Hevert is an economic and financial consultant with broad experience in the energy industry. He has an extensive background in the areas of corporate strategic planning, energy market assessment, corporate finance, mergers, and acquisitions, asset-based transactions, asset and business unit valuation, market entry strategies, strategic alliances, project development, feasibility and due diligence analyses. Mr. Hevert has significant management experience with both operating and professional services companies.

REPRESENTATIVE PROJECT EXPERIENCE

Financial and Economic Advisory Services

Retained by numerous leading energy companies and financial institutions throughout North America to provide services relating to the strategic evaluation, acquisition, sale or development of a variety of regulated and non-regulated enterprises. Specific services have included: developing strategic and financial analyses and managing multi-faceted due diligence reviews of proposed corporate M&A counter-parties; developing, screening and recommending potential M&A transactions and facilitating discussions between senior utility executives regarding transaction strategy and structure; performing valuation analyses and financial due diligence reviews of electric generation projects, retail marketing companies, and wholesale trading entities in support of significant M&A transactions.

Specific divestiture-related services have included advising both buy and sell-side clients in transactions for physical and contractual electric generation resources. Sell-side services have included: development and implementation of key aspects of asset divestiture programs such as marketing, offering memorandum development, development of transaction terms and conditions, bid process management, bid evaluation, negotiations, and regulatory approval process. Buy-side services have included comprehensive asset screening, selection, valuation and due diligence reviews. Both buy and sell-side services have included the use of sophisticated asset valuation techniques, and the development and delivery of fairness opinions.

Specific corporate finance experience while a Vice President with Bay State Gas included: negotiation, placement and closing of both private and public long-term debt, preferred and common equity; structured and project financing; corporate cash management; financial analysis, planning and forecasting; and various aspects of investor relations.

Representative non-confidential clients have included:

- Conectiv generation asset divestiture
- Eastern Utilities Associates (prior to acquisition by National Grid, PLC) generation asset divestiture
- Niagara Mohawk – sale of Niagara Mohawk Energy
- Potomac Electric Company generation asset divestiture

Representative confidential engagements have included:

- Buy-side valuation and assessment of merchant generation assets in Midwestern U.S.
- Buy-side due diligence and valuation of wholesale energy marketing companies in Eastern and Midwestern U.S.
- Buy-side due diligence of natural gas distribution assets in Northeastern U.S.
- Financial feasibility study of natural gas pipeline in upper Midwestern U.S.

- Financial valuation of natural gas pipeline in Southwestern U.S.

Regulatory Analysis and Ratemaking

On behalf of electric, natural gas and combination utilities throughout North America, provided services relating to energy industry restructuring including merchant function exit, residual energy supply obligations, and stranded cost assessment and recovery. Also performed rate of return and cost of service analyses for municipally owned gas and electric utilities. Specific services provided include: performing strategic review and development of merchant function exit strategies including analysis of provider of last resort obligations in both electric and gas markets; and developing value optimizing strategies for physical generation assets.

Representative engagements have included:

- Performing rate of return analyses for use in cost of service analyses on behalf of municipally owned gas and electric utilities in the Southeastern and Midwestern U.S.
- Developing merchant function exit strategies for Northeastern U.S. natural gas distribution companies
- Developing regulatory and ratemaking strategy for mergers including several Northeastern natural gas distribution companies

Litigation Support and Expert Testimony

Provided expert testimony and support of litigation in various regulatory proceedings on a variety of energy and economic issues including the proposed transfer of power purchase agreements, procurement of residual service electric supply, the legal separation of generation assets, and specific financing transactions. Services provided also included collaborating with counsel, business and technical staff to develop litigation strategies, preparing and reviewing discovery and briefing materials, preparing presentation materials and participating in technical sessions with regulators and intervenors.

Energy Market Assessment

Retained by numerous leading energy companies and financial institutions nationwide to manage or provide assessments of regional energy markets throughout the U.S. and Canada. Such assessments have included development of electric and natural gas price forecasts, analysis of generation project entry and exit scenarios, assessment of natural gas and electric transmission infrastructure, market structure and regulatory situation analysis, and assessment of competitive position. Market assessment engagements typically have been used as integral elements of business unit or asset-specific strategic plans or valuation analyses.

Representative engagements have included:

- Managing assessments of the NYPOOL, NEPOOL and PJM markets for major North American energy companies considering entering or expanding their presence in those markets
- Assessment of ECAR, MAPP, MAIN and SPP markets for a large U.S. integrated utility considering acquisition of additional electric generation assets
- Assessment of natural gas pipeline and storage capacity in the SERC and FRCC markets for a major international energy company

Resource Procurement, Contracting and Analysis

Assisted various clients in evaluating alternatives for acquiring fuel and power supplies, including the development and negotiation of energy contracts and tolling agreements. Assignments also have included developing generation resource optimization strategies. Provided advice and analyses of transition service power supply contracts in the context of both physical and contractual generation resource divestiture transactions.

Business Strategy and Operations

Retained by numerous leading North American energy companies and financial institutions nationwide to provide services relating to the development of strategic plans and planning processes for both regulated and non-regulated enterprises. Specific services provided include: developing and implementing electric generation strategies and business process redesign initiatives; developing market entry strategies for retail and wholesale businesses including assessment of asset-based marketing and trading strategies; and facilitating executive level strategic planning retreats. As Vice President, Energy Ventures, of Bay State was responsible for the company's strategic planning and business development processes, played an integral role in developing the company's non-regulated marketing affiliate, EnergyUSA, and managed the company's non-regulated investments, partnerships and strategic alliances.

Representative engagements have included:

- Developing and facilitating executive level strategic planning retreats for Northeastern natural gas distribution companies
- Developing organization and business process redesign plans for municipally owned gas/electric/water utility in the Southeastern U.S.
- Reviewing and revising corporate merchant generation business plans for Canadian and U.S. integrated utilities
- Advising client personnel in development of business unit level strategic plans for various natural gas distribution companies

PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2002 – Present)

President

Navigant Consulting, Inc. (1997 – 2001)

Managing Director (2000 – 2001)

Director (1998 – 2000)

Vice President, REED Consulting Group (1997 – 1998)

REED Consulting Group (1997)

Vice President

Bay State Gas Company (1987 – 1997)

Vice President, Energy Ventures and Assistant Treasurer

Boston College (1986 – 1987)

Financial Analyst

General Telephone Company of the South (1984 – 1986)

Revenue Requirements Analyst

EDUCATION

M.B.A., University of Massachusetts at Amherst, 1984

B.S., University of Delaware, 1982

DESIGNATIONS AND PROFESSIONAL AFFILIATIONS

Chartered Financial Analyst, 1991
Association for Investment Management and Research
Boston Security Analyst Society

PUBLICATIONS/PRESENTATIONS

Has made numerous presentations throughout the United States and Canada on several topics, including:

- Generation Asset Valuation and the Use of Real Options
 - Retail and Wholesale Market Entry Strategies
 - The Use Strategic Alliances in Restructured Energy Markets
 - Gas Supply and Pipeline Infrastructure in the Northeast Energy Markets
 - Nuclear Asset Valuation and the Divestiture Process
-

AVAILABLE UPON REQUEST

Extensive client and project listings, and specific references.

| SPONSOR | DATE | CASE/APPLICANT | DOCKET No. | SUBJECT |
|--|-------|--|-----------------------------|-----------------------------|
| Arizona Corporation Commission | | | | |
| Southwest Gas Corporation | 11/10 | Southwest Gas Corporation | Docket No. G-01551A-10-0458 | Return on Equity |
| Arkansas Public Service Commission | | | | |
| CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Arkansas Gas | 01/07 | CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Arkansas Gas | Docket No. 06-161-U | Return on Equity |
| Colorado Public Utilities Commission | | | | |
| Xcel Energy, Inc. | 12/10 | Public Service Company of Colorado | Docket No. 10AL-963G | Return on Equity (electric) |
| Atmos Energy Corporation | 07/09 | Atmos Energy Colorado-Kansas Division | Docket No. 09AL-507G | Return on Equity (gas) |
| Xcel Energy, Inc. | 12/06 | Public Service Company of Colorado | Docket No. 06S-656G | Return on Equity (gas) |
| Xcel Energy, Inc. | 04/06 | Public Service Company of Colorado | Docket No. 06S-234EG | Return on Equity (electric) |
| Xcel Energy, Inc. | 08/05 | Public Service Company of Colorado | Docket No. 05S-369ST | Return on Equity (steam) |
| Xcel Energy, Inc. | 05/05 | Public Service Company of Colorado | Docket No. 05S-264G | Return on Equity (gas) |
| Connecticut Department of Public Utility Control | | | | |
| Southern Connecticut Gas Company | 09/08 | Southern Connecticut Gas Company | Docket No. 08-08-17 | Return on Equity |
| Southern Connecticut Gas Company | 12/07 | Southern Connecticut Gas Company | Docket No. 05-03-17PH02 | Return on Equity |
| Connecticut Natural Gas Corporation | 12/07 | Connecticut Natural Gas Corporation | Docket No. 06-03-04PH02 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET No. | SUBJECT |
|---|-------|---|--------------------------|---|
| Federal Energy Regulatory Commission | | | | |
| Public Service Company of New Mexico | 10/10 | Public Service Company of New Mexico | Docket No. ER11-1915-000 | Return on Equity |
| Portland Natural Gas Transmission System | 05/10 | Portland Natural Gas Transmission System | Docket No. RP10-729-000 | Return on Equity |
| Florida Gas Transmission Company, LLC | 10/09 | Florida Gas Transmission Company, LLC | Docket No. RP10-21-000 | Return on Equity |
| Maritimes and Northeast Pipeline, LLC | 07/09 | Maritimes and Northeast Pipeline, LLC | Docket No. RP09-809-000 | Return on Equity |
| Spectra Energy | 02/08 | Saltville Gas Storage | Docket No. RP08-257-000 | Return on Equity |
| Panhandle Energy Pipelines | 08/07 | Panhandle Energy Pipelines | Docket No. PL07-2-000 | Response to draft policy statement regarding inclusion of MLPs in proxy groups for determination of gas pipeline ROEs |
| Southwest Gas Storage Company | 08/07 | Southwest Gas Storage Company | Docket No. RP07-541-000 | Return on Equity |
| Southwest Gas Storage Company | 06/07 | Southwest Gas Storage Company | Docket No. RP07-34-000 | Return on Equity |
| Sea Robin Pipeline LLC | 06/07 | Sea Robin Pipeline LLC | Docket No. RP07-513-000 | Return on Equity |
| Transwestern Pipeline Company | 09/06 | Transwestern Pipeline Company | Docket No. RP06-614-000 | Return on Equity |
| GPU International and Aquila | 11/00 | GPU International | Docket No. EC01-24-000 | Market Power Study |
| Georgia Public Service Commission | | | | |
| Atlanta Gas Light Company | 05/10 | Atlanta Gas Light Company | Docket No. 31647-U | Return on Equity |
| Illinois Commerce Commission | | | | |
| Ameren Illinois Company d/b/a Ameren Illinois | 02/11 | Ameren Illinois Company d/b/a Ameren Illinois | Docket No. 11-0279 | Return on Equity (electric) |
| Ameren Illinois Company d/b/a Ameren Illinois | 02/11 | Ameren Illinois Company d/b/a Ameren Illinois | Docket No. 11-0282 | Return on Equity (gas) |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET NO. | SUBJECT |
|---|-------|---|---------------------------------|---|
| Maryland Public Service Commission | | | | |
| Delmarva Power & Light Company | 12/10 | Delmarva Power & Light | Case No. 9249 | Return on Equity |
| Massachusetts Department of Public Utilities | | | | |
| National Grid | 08/09 | Massachusetts Electric Company d/b/a National Grid | DPU 09-39 | Revenue Decoupling and Return on Equity |
| National Grid | 08/09 | Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid | DPU 09-38 | Return on Equity – Solar Generation |
| Bay State Gas Company | 04/09 | Bay State Gas Company | DTE 09-30 | Return on Equity |
| NSTAR Electric | 09/04 | NSTAR Electric | DTE 04-85 | Divestiture of Power Purchase Agreement |
| NSTAR Electric | 08/04 | NSTAR Electric | DTE 04-78 | Divestiture of Power Purchase Agreement |
| NSTAR Electric | 07/04 | NSTAR Electric | DTE 04-68 | Divestiture of Power Purchase Agreement |
| NSTAR Electric | 07/04 | NSTAR Electric | DTE 04-61 | Divestiture of Power Purchase Agreement |
| NSTAR Electric | 06/04 | NSTAR Electric | DTE 04-60 | Divestiture of Power Purchase Agreement |
| Unitil Corporation | 01/04 | Fitchburg Gas and Electric | DTE 03-52 | Integrated Resource Plan; Gas Demand Forecast |
| Minnesota Public Utilities Commission | | | | |
| Otter Tail Power Corporation | 04/10 | Otter Tail Power Company | Docket No. E-017/GR- 10-239 | Return on Equity |
| Minnesota Power a division of ALLETE, Inc. | 11/09 | Minnesota Power | Docket No. E-015/GR- 09-1151 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET NO. | SUBJECT |
|--|-------|---|-----------------------------|--------------------------------|
| CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas | 11/08 | CenterPoint Energy Minnesota Gas | Docket No. G-008/GR-08-1075 | Return on Equity |
| Otter Tail Power Corporation | 10/07 | Otter Tail Power Company | Docket No. E-017/GR-07-1178 | Return on Equity |
| Xcel Energy, Inc. | 11/05 | NSP-Minnesota | Docket No. E-002/GR-05-1428 | Return on Equity (electric) |
| Xcel Energy, Inc. | 09/04 | NSP Minnesota | Docket No. G-002/GR-04-1511 | Cost of Capital (gas) |
| Mississippi Public Service Commission | | | | |
| CenterPoint Energy Resources, Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Mississippi Gas | 07/09 | CenterPoint Energy Mississippi Gas | Docket No. 09-UN-334 | Return on Equity |
| Missouri Public Service Commission | | | | |
| Union Electric Company d/b/a AmerenUE | 09/10 | Union Electric Company d/b/a AmerenUE | Case No. ER-2011-0028 | Return on Equity (electric) |
| Union Electric Company d/b/a AmerenUE | 06/10 | Union Electric Company d/b/a AmerenUE | Case No. GR-2010-0363 | Return on Equity (gas) |
| Nevada Public Utilities Commission | | | | |
| Nevada Power Company | 06/11 | Nevada Power Company | Docket No. 11-06006 | Return on Equity |
| New Hampshire Public Utilities Commission | | | | |
| EnergyNorth Natural Gas d/b/a National Grid NH | 02/10 | EnergyNorth Natural Gas d/b/a National Grid NH | Docket No. DG 10-017 | Return on Equity |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET No. | SUBJECT |
|---|-------|---|-----------------------|---|
| Unitil Energy Systems, Inc. ("Unitil"), EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. - New Hampshire Division | 08/08 | Unitil Energy Systems, Inc. ("Unitil"), EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. - New Hampshire Division | Docket No. DG 07-072 | Carrying Charge Rate on Cash Working Capital |
| New Jersey Board of Public Utilities | | | | |
| Pepco Holdings, Inc. | 09/06 | Atlantic City Electric Company | Docket No. EMO6090638 | Divestiture and Valuation of Electric Generating Assets |
| Pepco Holdings, Inc. | 12/05 | Atlantic City Electric Company | Docket No. EM05121058 | Market Value of Electric Generation Assets; Auction |
| Conectiv | 06/03 | Atlantic City Electric Company | Docket No. EO03020091 | Market Value of Electric Generation Assets; Auction Process |
| New Mexico Public Regulation Commission | | | | |
| Southwestern Public Service Company | 02/11 | Southwestern Public Service Company | Case No. 10-00395-UT | Return on Equity (electric) |
| Public Service Company of New Mexico | 06/10 | Public Service Company of New Mexico | Case No. 10-00086-UT | Return on Equity (electric) |
| Public Service Company of New Mexico | 09/08 | Public Service Company of New Mexico | Case No. 08-00273-UT | Return on Equity (electric) |
| Xcel Energy, Inc. | 07/07 | Southwestern Public Service Company | Case No. 07-00319-UT | Return on Equity (electric) |
| New York State Public Service Commission | | | | |
| Orange and Rockland Utilities, Inc. | 07/10 | Orange and Rockland Utilities, Inc. | Case No. 10-E-0362 | Return on Equity (electric) |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET No. | SUBJECT |
|--|-------|--|-------------------------|---|
| Consolidated Edison Company of New York, Inc. | 11/09 | Consolidated Edison Company of New York, Inc. | Case No. 09-G-0795 | Return on Equity (gas) |
| Consolidated Edison Company of New York, Inc. | 11/09 | Consolidated Edison Company of New York, Inc. | Case No. 09-S-0794 | Return on Equity (steam) |
| Niagara Mohawk Power Corporation | 07/01 | Niagara Mohawk Power Corporation | Case No. 01-E-1046 | Power Purchase and Sale Agreement; Standard Offer Service Agreement |
| North Dakota Public Service Commission | | | | |
| Otter Tail Power Company | 11/08 | Otter Tail Power Company | Docket No. 08-862 | Return on Equity (electric) |
| Oklahoma Corporation Commission | | | | |
| CenterPoint Energy Resources Corp., D/B/A CenterPoint Energy Oklahoma Gas | 03/09 | CenterPoint Energy Oklahoma Gas | Docket No. PUD200900055 | Return on Equity |
| Rhode Island Public Utilities Commission | | | | |
| National Grid RI – Gas | 08/08 | National Grid RI – Gas | Docket No. 3943 | Revenue Decoupling and Return on Equity |
| South Carolina Public Service Commission | | | | |
| South Carolina Electric & Gas | 03/10 | South Carolina Electric & Gas | Docket No. 2009-489-E | Return on Equity |
| South Dakota Public Utilities Commission | | | | |
| Otter Tail Power Company | 08/10 | Otter Tail Power Company | Docket No. EL10-011 | Return on Equity (electric) |
| Northern States Power Company | 06/09 | South Dakota Division of Northern States Power | Docket No. EL09-009 | Return on Equity (electric) |
| Otter Tail Power Company | 10/08 | Otter Tail Power Company | Docket No. EL08-030 | Return on Equity (electric) |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET NO. | SUBJECT |
|--|-------|--|------------------|-----------------------------|
| Texas Public Utility Commission | | | | |
| Oncor Electric Delivery Company, LLC | 01/11 | Oncor Electric Delivery Company, LLC | Docket No. 38929 | Return on Equity |
| Texas-New Mexico Power Company | 08/10 | Texas-New Mexico Power Company | Docket No. 38480 | Return on Equity (electric) |
| CenterPoint Energy Houston Electric LLC | 07/10 | CenterPoint Energy Houston Electric LLC | Docket No. 38339 | Return on Equity |
| Xcel Energy, Inc. | 05/10 | Southwestern Public Service Company | Docket No. 38147 | Return on Equity (electric) |
| Texas-New Mexico Power Company | 08/08 | Texas-New Mexico Power Company | Docket No. 36025 | Return on Equity (electric) |
| Xcel Energy, Inc. | 05/06 | Southwestern Public Service Company | Docket No. 32766 | Return on Equity (electric) |
| Texas Railroad Commission | | | | |
| Centerpoint Energy Resources Corp. D/B/A Centerpoint Energy Entex and Centerpoint Energy Texas Gas | 12/10 | Centerpoint Energy Resources Corp. D/B/A Centerpoint Energy Entex and Centerpoint Energy Texas Gas | GUD 10038 | Return on Equity |
| Atmos Pipeline - Texas | 09/10 | Atmos Pipeline - Texas | GUD 10000 | Return on Equity |
| CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Entex and CenterPoint Energy Texas Gas | 07/09 | CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Entex and CenterPoint Energy Texas Gas | GUD 9902 | Return on Equity |
| CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Texas Gas | 03/08 | CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Texas Gas | GUD 9791 | Return on Equity |
| Utah Public Service Commission | | | | |

| SPONSOR | DATE | CASE/APPLICANT | DOCKET NO. | SUBJECT |
|--|-------|--|---------------------------|--|
| Questar Gas Company | 12/07 | Questar Gas Company | Docket No. 07-057-13 | Return on Equity |
| Vermont Public Service Board | | | | |
| Central Vermont Public Service Corporation | 12/10 | Central Vermont Public Service Corporation | Docket No. 7627 | Return on Equity (electric) |
| Green Mountain Power | 04/06 | Green Mountain Power | Docket Nos. 7175 and 7176 | Return on Equity (electric) |
| Vermont Gas Systems, Inc. | 12/05 | Vermont Gas Systems | Docket Nos. 7109 and 7160 | Return on Equity (gas) |
| Virginia State Corporation Commission | | | | |
| Columbia Gas Of Virginia, Inc. | 06/06 | Columbia Gas Of Virginia, Inc. | Case No. PUE-2005-00098 | Merger Synergies |
| Dominion Resources | 10/01 | Virginia Electric and Power Company | Case No. PUE000584 | Corporate Structure and Electric Generation Strategy |

30-DAY CONSTANT GROWTH DCF

| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] | |
|---------------------------------------|--------|------------------------|----------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|------------|-------------|-------------|
| Company | Ticker | Annualized Dividend | Stock Price | Dividend Yield | Expected | First Call | Zacks | Value Line | Average | Low ROE | Mean ROE | High ROE |
| | | | | | Dividend Yield | Earnings Growth | Earnings Growth | Earnings Growth | Earnings Growth | | | |
| American Electric Power Company, Inc. | AEP | \$1.88 | \$38.23 | 4.92% | 5.02% | 4.31% | 4.00% | 4.50% | 4.27% | 9.02% | 9.29% | 9.53% |
| Cleco Corp. | CNL | \$1.25 | \$35.07 | 3.56% | 3.66% | 3.00% | 7.00% | 6.00% | 5.33% | 6.62% | 8.99% | 10.69% |
| Great Plains Energy Inc. | GXP | \$0.83 | \$19.98 | 4.15% | 4.28% | 5.80% | 6.50% | 6.00% | 6.10% | 10.07% | 10.38% | 10.79% |
| Hawaiian Electric Industries, Inc. | HE | \$1.24 | \$24.67 | 5.03% | 5.26% | 8.60% | 8.60% | 11.00% | 9.40% | 13.84% | 14.66% | 16.30% |
| IDACORP, Inc. | IDA | \$1.20 | \$39.18 | 3.06% | 3.13% | 4.67% | 4.70% | 4.00% | 4.46% | 7.12% | 7.59% | 7.83% |
| Pinnacle West Capital Corp. | PNW | \$2.10 | \$44.18 | 4.75% | 4.89% | 6.25% | 5.30% | 6.00% | 5.85% | 10.18% | 10.74% | 11.15% |
| Portland General Electric Company | POR | \$1.06 | \$23.91 | 4.43% | 4.56% | 5.32% | 5.00% | 7.50% | 5.94% | 9.54% | 10.50% | 12.10% |
| Southern Company | SO | \$1.89 | \$42.70 | 4.43% | 4.55% | 5.95% | 5.10% | 6.00% | 5.68% | 9.64% | 10.24% | 10.56% |
| Westar Energy, Inc. | WR | \$1.28 | \$26.74 | 4.79% | 4.95% | 5.18% | 6.10% | 8.50% | 6.59% | 10.09% | 11.54% | 13.49% |
| Mean | | | 4.35% | 4.48% | 5.45% | 5.81% | 6.61% | 5.96% | 9.57% | 10.44% | 11.38% | |

Notes:

- [1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 30-day average as of October 31, 2011
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Yahoo! Finance
[6] Source: Zacks
[7] Source: Value Line
[8] Equals Average([5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

90-DAY CONSTANT GROWTH DCF

| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] | |
|---------------------------------------|--------|------------------------|----------------|-------------------|-------------------------------|----------------------------------|-----------------------------|----------------------------------|-------------------------------|------------|-------------|-------------|
| Company | Ticker | Annualized Dividend | Stock Price | Dividend Yield | Expected Dividend Yield | First Call Earnings Growth | Zacks Earnings Growth | Value Line Earnings Growth | Average Earnings Growth | Low ROE | Mean ROE | High ROE |
| American Electric Power Company, Inc. | AEP | \$1.88 | \$37.68 | 4.99% | 5.10% | 4.31% | 4.00% | 4.50% | 4.27% | 9.09% | 9.37% | 9.60% |
| Cleco Corp. | CNL | \$1.25 | \$34.71 | 3.60% | 3.70% | 3.00% | 7.00% | 6.00% | 5.33% | 6.65% | 9.03% | 10.73% |
| Great Plains Energy Inc. | GXP | \$0.83 | \$19.74 | 4.20% | 4.33% | 5.80% | 6.50% | 6.00% | 6.10% | 10.13% | 10.43% | 10.84% |
| Hawaiian Electric Industries, Inc. | HE | \$1.24 | \$23.98 | 5.17% | 5.41% | 8.60% | 8.60% | 11.00% | 9.40% | 13.99% | 14.81% | 16.45% |
| IDACORP, Inc. | IDA | \$1.20 | \$38.48 | 3.12% | 3.19% | 4.67% | 4.70% | 4.00% | 4.46% | 7.18% | 7.65% | 7.89% |
| Pinnacle West Capital Corp. | PNW | \$2.10 | \$43.40 | 4.84% | 4.98% | 6.25% | 5.30% | 6.00% | 5.85% | 10.27% | 10.83% | 11.24% |
| Portland General Electric Company | POR | \$1.06 | \$24.19 | 4.38% | 4.51% | 5.32% | 5.00% | 7.50% | 5.94% | 9.49% | 10.45% | 12.05% |
| Southern Company | SO | \$1.89 | \$41.17 | 4.59% | 4.72% | 5.95% | 5.10% | 6.00% | 5.68% | 9.81% | 10.40% | 10.73% |
| Westar Energy, Inc. | WR | \$1.28 | \$26.18 | 4.89% | 5.05% | 5.18% | 6.10% | 8.50% | 6.59% | 10.20% | 11.64% | 13.60% |
| Mean | | | | 4.42% | 4.55% | 5.45% | 5.81% | 6.61% | 5.96% | 9.65% | 10.51% | 11.46% |

Notes:

- [1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 90-day average as of October 31, 2011
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Yahoo! Finance
[6] Source: Zacks
[7] Source: Value Line
[8] Equals Average([5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

180-DAY CONSTANT GROWTH DCF

| Company | Ticker | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] |
|---------------------------------------|--------|------------------------|----------------|-------------------|-------------------------------|----------------------------------|-----------------------------|----------------------------------|-------------------------------|------------|-------------|-------------|
| | | Annualized Dividend | Stock Price | Dividend Yield | Expected Dividend Yield | First Call Earnings Growth | Zacks Earnings Growth | Value Line Earnings Growth | Average Earnings Growth | Low ROE | Mean ROE | High ROE |
| American Electric Power Company, Inc. | AEP | \$1.88 | \$36.98 | 5.08% | 5.19% | 4.31% | 4.00% | 4.50% | 4.27% | 9.19% | 9.46% | 9.70% |
| Cleco Corp. | CNL | \$1.25 | \$34.35 | 3.64% | 3.74% | 3.00% | 7.00% | 6.00% | 5.33% | 6.69% | 9.07% | 10.77% |
| Great Plains Energy Inc. | GXP | \$0.83 | \$19.96 | 4.16% | 4.29% | 5.80% | 6.50% | 6.00% | 6.10% | 10.08% | 10.39% | 10.79% |
| Hawaiian Electric Industries, Inc. | HE | \$1.24 | \$24.30 | 5.10% | 5.34% | 8.60% | 8.60% | 11.00% | 9.40% | 13.92% | 14.74% | 16.38% |
| IDACORP, Inc. | IDA | \$1.20 | \$38.40 | 3.12% | 3.19% | 4.67% | 4.70% | 4.00% | 4.46% | 7.19% | 7.65% | 7.90% |
| Pinnacle West Capital Corp. | PNW | \$2.10 | \$43.35 | 4.84% | 4.99% | 6.25% | 5.30% | 6.00% | 5.85% | 10.27% | 10.84% | 11.25% |
| Portland General Electric Company | POR | \$1.06 | \$24.28 | 4.37% | 4.50% | 5.32% | 5.00% | 7.50% | 5.94% | 9.48% | 10.44% | 12.03% |
| Southern Company | SO | \$1.89 | \$39.97 | 4.73% | 4.86% | 5.95% | 5.10% | 6.00% | 5.68% | 9.95% | 10.55% | 10.87% |
| Westar Energy, Inc. | WR | \$1.28 | \$26.32 | 4.86% | 5.02% | 5.18% | 6.10% | 8.50% | 6.59% | 10.17% | 11.62% | 13.57% |
| Mean | | | | 4.43% | 4.57% | 5.45% | 5.81% | 6.61% | 5.96% | 9.66% | 10.53% | 11.47% |

Notes:

- [1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 180-day average as of October 31, 2011
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Yahoo! Finance
[6] Source: Zacks
[7] Source: Value Line
[8] Equals Average([5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

AVERAGE HISTORICAL BETAS
BLOOMBERG AND VALUE LINE

| | | [1] Value Line | [2] Bloomberg |
|---------------------------------------|-----|-------------------|------------------|
| American Electric Power Company, Inc. | AEP | 0.70 | 0.68 |
| Cleco Corp. | CNL | 0.65 | 0.79 |
| Great Plains Energy Inc. | GXP | 0.75 | 0.81 |
| Hawaiian Electric Industries, Inc. | HE | 0.70 | 0.78 |
| IDACORP, Inc. | IDA | 0.70 | 0.86 |
| Pinnacle West Capital Corp. | PNW | 0.70 | 0.77 |
| Portland General Electric Company | POR | 0.75 | 0.80 |
| Southern Company | SO | 0.55 | 0.55 |
| Westar Energy, Inc. | WR | 0.75 | 0.74 |
| Average | | 0.694 | 0.754 |

Notes:

[1] Source: Value Line; dated August 5, 2011, August 26, 2011, and September 23, 2011

[2] Source: Bloomberg Professional; as of October 31, 2011

CAPM USING ALTERNATIVE MARKET RISK PREMIUM CALCULATIONS

| | [3] | [4] | [5] | [6] | [7] | [8] |
|---|-------------------|-----------------|----------------------------|--------------------------|----------------------------|--------------------------|
| | | | Market Risk Premium | | Return on Equity CAPM | |
| | Risk-Free Rate | Average Beta | Sharpe Ratio Derived | Market DCF Derived | Sharpe Ratio Derived | Market DCF Derived |
| <u>PROXY GROUP EIGHTEEN-MONTH BETA</u> | | | | | | |
| [1] Current 30-Year Treasury (30-day average) | 3.09% | 0.743 | 10.80% | 10.28% | 11.12% | 10.74% |
| [2] Near-Term Projected 30-Year Treasury | 3.60% | 0.743 | 10.80% | 10.28% | 11.63% | 11.24% |
| <u>PROXY GROUP VALUE LINE BETA</u> | | | | | | |
| [1] Current 30-Year Treasury (30-day average) | 3.09% | 0.694 | 10.80% | 10.28% | 10.59% | 10.23% |
| [2] Near-Term Projected 30-Year Treasury | 3.60% | 0.694 | 10.80% | 10.28% | 11.10% | 10.74% |
| <u>PROXY GROUP BLOOMBERG BETA</u> | | | | | | |
| [1] Current 30-Year Treasury (30-day average) | 3.09% | 0.754 | 10.80% | 10.28% | 11.23% | 10.84% |
| [2] Near-Term Projected 30-Year Treasury | 3.60% | 0.754 | 10.80% | 10.28% | 11.74% | 11.35% |

Notes:

- [1] Source: Bloomberg Professional
 [2] Source: Blue Chip Financial Forecasts, Vol. 30, No. 10, October 1, 2011, at 2
 [3] see Notes [1] and [2]
 [4] Source: Schedule RBH-2 and Schedule RBH-4
 [5] Equals Col. [13]
 [6] Source: Schedule RBH-3, page 2 of 7
 [7] Equals Col. [3] + (Col. [4] x Col. [5])
 [8] Equals Col. [3] + (Col. [4] x Col. [6])

MARKET RISK PREMIUM USING EXPECTED MARKET SHARPE RATIO

| [9] | [10] | [11] | [12] | [13] |
|-----------------|------------------|------------------|-----------------------------------|-----------------|
| RP _h | Vol _h | VOL _e | Historical Market Sharpe Ratio | RP _e |
| 6.70% | 20.28% | 32.68% | 33.04% | 10.80% |

| | [14] | [15] | [16] | [17] |
|------------|-------|------------|------------|------------|
| | | Feb 12 VIX | Mar 12 VIX | Apr 12 VIX |
| Date | VXV | Futures | Futures | Futures |
| 10/31/2011 | 30.37 | 29.00 | 28.90 | 29.20 |
| 10/28/2011 | 26.52 | 26.95 | 27.20 | 27.55 |
| 10/27/2011 | 27.03 | 27.10 | 27.30 | 27.70 |
| 10/26/2011 | 30.94 | 29.90 | 29.90 | 30.20 |
| 10/25/2011 | 32.36 | 30.85 | 30.80 | 31.00 |
| 10/24/2011 | 30.47 | 29.85 | 29.85 | 30.10 |
| 10/21/2011 | 31.97 | 30.65 | 30.60 | 30.85 |
| 10/20/2011 | 34.20 | 31.90 | 31.85 | 32.05 |
| 10/19/2011 | 34.39 | 31.90 | 31.80 | 32.05 |
| 10/18/2011 | 31.98 | 30.80 | 30.90 | 31.20 |
| 10/17/2011 | 33.60 | 31.70 | 31.55 | 31.85 |
| 10/14/2011 | 30.39 | 30.15 | 30.20 | 30.45 |
| 10/13/2011 | 32.71 | 31.30 | 31.25 | 31.60 |
| 10/12/2011 | 32.97 | 31.35 | 31.30 | 31.55 |
| 10/11/2011 | 34.06 | 32.55 | 32.35 | 32.60 |
| 10/10/2011 | 34.79 | 32.65 | 32.45 | 32.60 |
| 10/7/2011 | 37.31 | 34.20 | 33.85 | 33.85 |
| 10/6/2011 | 37.04 | 34.00 | 33.50 | 33.60 |
| 10/5/2011 | 38.31 | 34.35 | 33.90 | 33.95 |
| 10/4/2011 | 40.45 | 34.65 | 33.95 | 33.90 |
| 10/3/2011 | 43.38 | 35.60 | 35.15 | 35.30 |
| 9/30/2011 | 41.24 | 34.70 | 34.25 | 34.35 |
| 9/29/2011 | 38.18 | 33.25 | 33.00 | 33.05 |
| 9/28/2011 | 39.52 | 33.65 | 33.35 | 33.40 |
| 9/27/2011 | 37.21 | 32.65 | 32.45 | 32.55 |
| 9/26/2011 | 38.03 | 32.95 | 32.70 | 32.80 |
| 9/23/2011 | 39.55 | 33.60 | 33.30 | 33.35 |
| 9/22/2011 | 39.15 | 33.40 | 33.20 | 33.30 |
| 9/21/2011 | 36.19 | 32.20 | 32.00 | 32.30 |
| 9/20/2011 | 33.62 | 31.30 | 31.35 | 31.60 |
| Average | | 32.68 | | |

Notes:

- [9] Source: Morningstar, Inc.
 RP_h = historical arithmetic average Risk Premium
 [10] Source: Morningstar, Inc.
 Vol_h = historical market volatility
 [11] Vol_e = expected market volatility (average of Cols. [14]-[17])
 [12] Equals Col. [9] / Col. [10]
 [13] Equals Col. [11] x Col. [12]
 [14] Source: Bloomberg Professional
 [15] Source: Bloomberg Professional
 [16] Source: Bloomberg Professional
 [17] Source: Bloomberg Professional

$$\frac{RP_h}{Vol_h} \times Vol_e = RP_e$$

MARKET RISK PREMIUM DERIVED FROM ANALYSTS LONG-TERM GROWTH ESTIMATES

| [18] Estimated Weighted Index Dividend Yield | [19] Weighted Index Long-Term Growth Rate | [20] S&P 500 Est. Required Market Return |
|---|--|---|
| 2.11% | 11.15% | 13.38% |
| [21] Current 30-Year Treasury (30-day average) | | 3.09% |
| [22] Implied Market Risk Premium: | | 10.28% |

STANDARD AND POOR'S 500 INDEX

| Name | Ticker | [23] Weight in Index | [24] Estimated Dividend Yield | [25] Cap-Weighted Dividend Yield | [26] Long-Term Growth Est. | [27] Cap-Weighted Long-Term Growth Est. |
|------------------------------|--------|----------------------------|-------------------------------------|--|----------------------------------|--|
| 3M CO | MMM | 0.48% | 2.81% | 0.0135% | 12.25% | 0.0588% |
| ABBOTT LABORATORIES | ABT | 0.72% | 3.53% | 0.0253% | 9.23% | 0.0663% |
| ABERCROMBIE & FITCH CO-CL A | ANF | 0.06% | 0.94% | 0.0005% | 27.75% | 0.0154% |
| ACCENTURE PLC-CL A | ACN | 0.33% | 2.08% | 0.0069% | 13.50% | 0.0446% |
| ACE LTD | ACE | 0.21% | 1.87% | 0.0039% | 11.40% | 0.0238% |
| ADOBE SYSTEMS INC | ADBE | 0.12% | 0.00% | 0.0000% | 12.38% | 0.0153% |
| ADVANCED MICRO DEVICES | AMD | 0.03% | 0.00% | 0.0000% | 11.16% | 0.0039% |
| AES CORP | AES | 0.08% | 0.00% | 0.0000% | 8.00% | 0.0060% |
| AETNA INC | AET | 0.12% | 1.13% | 0.0014% | 10.40% | 0.0128% |
| AFLAC INC | AFL | 0.18% | 2.73% | 0.0049% | 10.60% | 0.0191% |
| AGILENT TECHNOLOGIES INC | A | 0.11% | 0.00% | 0.0000% | 16.05% | 0.0177% |
| AIR PRODUCTS & CHEMICALS INC | APD | 0.16% | 2.81% | 0.0044% | 9.48% | 0.0149% |
| AIRGAS INC | ARG | 0.04% | 1.72% | 0.0008% | 14.12% | 0.0063% |
| AK STEEL HOLDING CORP | AKS | 0.01% | 2.40% | 0.0002% | 5.00% | 0.0004% |
| AKAMAI TECHNOLOGIES INC | AKAM | 0.04% | 0.00% | 0.0000% | 14.36% | 0.0061% |
| ALCOA INC | AA | 0.10% | 1.12% | 0.0011% | n/a | n/a |
| ALLEGHENY TECHNOLOGIES INC | ATI | 0.04% | 1.55% | 0.0007% | 15.00% | 0.0063% |
| ALLERGAN INC | AGN | 0.22% | 0.24% | 0.0005% | 14.81% | 0.0328% |
| ALLSTATE CORP | ALL | 0.11% | 3.18% | 0.0036% | 10.00% | 0.0114% |
| ALPHA NATURAL RESOURCES INC | ANR | 0.05% | 0.00% | 0.0000% | 34.00% | 0.0158% |
| ALTERA CORP | ALTR | 0.10% | 0.72% | 0.0008% | 15.20% | 0.0158% |
| ALTRIA GROUP INC | MO | 0.49% | 5.81% | 0.0282% | 8.00% | 0.0388% |
| AMAZON.COM INC | AMZN | 0.83% | 0.00% | 0.0000% | 31.11% | 0.2587% |
| AMEREN CORPORATION | AEE | 0.07% | 4.84% | 0.0032% | -2.43% | -0.0016% |
| AMERICAN ELECTRIC POWER | AEP | 0.16% | 4.68% | 0.0076% | 4.00% | 0.0065% |
| AMERICAN EXPRESS CO | AXP | 0.52% | 1.43% | 0.0074% | 11.40% | 0.0590% |
| AMERICAN INTERNATIONAL GROUP | AIG | 0.40% | 0.00% | 0.0000% | 11.00% | 0.0441% |
| AMERICAN TOWER CORP-CL A | AMT | 0.19% | 0.00% | 0.0000% | 20.00% | 0.0373% |
| AMERIPRISE FINANCIAL INC | AMP | 0.09% | 1.81% | 0.0017% | 12.33% | 0.0116% |
| AMERISOURCEBERGEN CORP | ABC | 0.09% | 0.93% | 0.0009% | 13.33% | 0.0125% |
| AMGEN INC | AMGN | 0.45% | 1.36% | 0.0062% | 9.59% | 0.0435% |
| AMPHENOL CORP-CL A | APH | 0.07% | 0.13% | 0.0001% | 15.10% | 0.0104% |
| ANADARKO PETROLEUM CORP | APC | 0.33% | 0.46% | 0.0016% | 21.85% | 0.0731% |
| ANALOG DEVICES INC | ADI | 0.09% | 2.55% | 0.0024% | 11.00% | 0.0103% |
| AON CORP | AON | 0.13% | 1.30% | 0.0017% | 8.33% | 0.0109% |
| APACHE CORP | APA | 0.33% | 0.64% | 0.0021% | 12.52% | 0.0410% |
| APARTMENT INVT & MGMT CO -A | AIV | 0.03% | 1.94% | 0.0005% | 9.39% | 0.0024% |
| APOLLO GROUP INC-CL A | APOL | 0.05% | 0.00% | 0.0000% | 9.12% | 0.0048% |
| APPLE INC | AAPL | 3.22% | 0.00% | 0.0000% | 21.23% | 0.6836% |
| APPLIED MATERIALS INC | AMAT | 0.14% | 2.39% | 0.0033% | 13.00% | 0.0181% |
| ARCHER-DANIELS-MIDLAND CO | ADM | 0.17% | 2.22% | 0.0037% | 10.00% | 0.0166% |
| ASSURANT INC | AIZ | 0.03% | 1.82% | 0.0006% | 10.33% | 0.0032% |
| AT&T INC | T | 1.49% | 5.88% | 0.0875% | 5.56% | 0.0826% |
| AUTODESK INC | ADSK | 0.07% | 0.00% | 0.0000% | 13.75% | 0.0093% |
| AUTOMATIC DATA PROCESSING | ADP | 0.22% | 2.84% | 0.0062% | 10.60% | 0.0233% |
| AUTONATION INC | AN | 0.05% | 0.00% | 0.0000% | 18.67% | 0.0087% |
| AUTOZONE INC | AZO | 0.11% | 0.00% | 0.0000% | 13.75% | 0.0152% |
| AVALONBAY COMMUNITIES INC | AVB | 0.11% | 2.68% | 0.0029% | 12.57% | 0.0135% |
| AVERY DENNISON CORP | AVY | 0.02% | 3.77% | 0.0009% | 7.00% | 0.0017% |
| AVON PRODUCTS INC | AVP | 0.07% | 5.03% | 0.0034% | 11.50% | 0.0078% |
| BAKER HUGHES INC | BHI | 0.22% | 1.03% | 0.0022% | 27.57% | 0.0597% |
| BALL CORP | BLL | 0.05% | 0.79% | 0.0004% | 5.00% | 0.0024% |
| BANK OF NEW YORK MELLON CORP | BK | 0.22% | 2.26% | 0.0051% | 10.60% | 0.0238% |
| BANK OF AMERICA CORP | BAC | 0.59% | 0.62% | 0.0037% | 8.75% | 0.0519% |
| BAXTER INTERNATIONAL INC | BAX | 0.27% | 2.31% | 0.0062% | 10.16% | 0.0272% |
| BB&T CORP | BBT | 0.14% | 2.76% | 0.0038% | 7.00% | 0.0098% |
| BEAM INC | BEAM | 0.07% | 1.54% | 0.0010% | 13.00% | 0.0085% |
| BECTON DICKINSON AND CO | BDX | 0.15% | 2.27% | 0.0033% | 10.44% | 0.0152% |
| BED BATH & BEYOND INC | BBBY | 0.13% | 0.00% | 0.0000% | 15.00% | 0.0194% |
| BEMIS COMPANY | BMS | 0.02% | 3.53% | 0.0009% | 7.00% | 0.0017% |
| BERKSHIRE HATHAWAY INC-CL B | BRK/B | 0.71% | n/a | n/a | n/a | n/a |
| BEST BUY CO INC | BBY | 0.08% | 2.36% | 0.0019% | 10.00% | 0.0081% |
| BIG LOTS INC | BIG | 0.02% | n/a | n/a | 11.33% | 0.0024% |
| BIOGEN IDEC INC | BIIB | 0.24% | 0.00% | 0.0000% | 10.53% | 0.0255% |
| BLACKROCK INC | BLK | 0.18% | 3.48% | 0.0064% | 11.00% | 0.0201% |
| BMC SOFTWARE INC | BMC | 0.05% | 0.00% | 0.0000% | 14.00% | 0.0071% |
| BOEING CO/THE | BA | 0.42% | 2.60% | 0.0109% | 14.57% | 0.0610% |
| BOSTON PROPERTIES INC | BXP | 0.12% | 2.03% | 0.0025% | 7.64% | 0.0095% |
| BOSTON SCIENTIFIC CORP | BSX | 0.08% | 0.00% | 0.0000% | 8.31% | 0.0064% |
| BRISTOL-MYERS SQUIBB CO | BMJ | 0.46% | 3.76% | 0.0172% | 3.06% | 0.0140% |
| BROADCOM CORP-CL A | BRCM | 0.15% | 0.99% | 0.0015% | 14.46% | 0.0217% |
| BROWN-FORMAN CORP-CLASS B | BF/B | 0.06% | 2.17% | 0.0012% | n/a | n/a |
| CA INC | CA | 0.09% | 0.92% | 0.0008% | 9.00% | 0.0082% |
| CABLEVISION SYSTEMS-NY GRP-A | CVC | 0.03% | 3.96% | 0.0011% | 6.30% | 0.0018% |
| CABOT OIL & GAS CORP | COG | 0.07% | 0.15% | 0.0001% | 11.50% | 0.0080% |
| CAMERON INTERNATIONAL CORP | CAM | 0.10% | 0.00% | 0.0000% | 17.00% | 0.0175% |

STANDARD AND POOR'S 500 INDEX

| | | [23] | [24] | [25] | [26] | [27] |
|------------------------------|--------|-----------------|--------------------------|-----------------------------|-----------------------|------------------------------------|
| Name | Ticker | Weight In Index | Estimated Dividend Yield | Cap-Weighted Dividend Yield | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. |
| CAMPBELL SOUP CO | CPB | 0.09% | 3.65% | 0.0033% | 6.00% | 0.0055% |
| CAPITAL ONE FINANCIAL CORP | COF | 0.18% | 0.47% | 0.0008% | 10.33% | 0.0186% |
| CARDINAL HEALTH INC | CAH | 0.13% | 1.55% | 0.0020% | 12.75% | 0.0167% |
| CAREFUSION CORP | CFN | 0.05% | 0.00% | 0.0000% | 13.57% | 0.0066% |
| CARMAX INC | KMX | 0.06% | n/a | n/a | 14.70% | 0.0086% |
| CARNIVAL CORP | CCL | 0.18% | 2.69% | 0.0048% | 15.00% | 0.0269% |
| CATERPILLAR INC | CAT | 0.52% | 1.89% | 0.0099% | 13.33% | 0.0697% |
| CBRE GROUP INC | CBG | 0.05% | 0.00% | 0.0000% | 11.50% | 0.0057% |
| CBS CORP-CLASS B NON VOTING | CBS | 0.14% | 1.33% | 0.0018% | 16.81% | 0.0233% |
| CELGENE CORP | CELG | 0.25% | 0.00% | 0.0000% | 25.98% | 0.0662% |
| CENTERPOINT ENERGY INC | CNP | 0.08% | 3.79% | 0.0029% | 5.50% | 0.0042% |
| CENTURYLINK INC | CTL | 0.19% | 8.22% | 0.0153% | -3.74% | -0.0070% |
| CERNER CORP | CERN | 0.09% | 0.00% | 0.0000% | 19.67% | 0.0181% |
| CF INDUSTRIES HOLDINGS INC | CF | 0.10% | 0.62% | 0.0006% | 12.00% | 0.0120% |
| C.H. ROBINSON WORLDWIDE INC | CHRW | 0.10% | 1.69% | 0.0017% | 15.83% | 0.0156% |
| CHESAPEAKE ENERGY CORP | CHK | 0.16% | 1.13% | 0.0018% | 11.00% | 0.0175% |
| CHEVRON CORP | CVX | 1.80% | 2.93% | 0.0528% | -0.20% | -0.0036% |
| CHIPOTLE MEXICAN GRILL INC | CMG | 0.09% | 0.00% | 0.0000% | 20.00% | 0.0180% |
| CHUBB CORP | CB | 0.16% | 2.38% | 0.0038% | 9.75% | 0.0156% |
| CIGNA CORP | CI | 0.10% | 0.09% | 0.0001% | 10.06% | 0.0103% |
| CINCINNATI FINANCIAL CORP | CINF | 0.04% | 5.55% | 0.0022% | 5.00% | 0.0020% |
| CINTAS CORP | CTAS | 0.03% | 1.72% | 0.0006% | 11.60% | 0.0039% |
| CISCO SYSTEMS INC | CSCO | 0.85% | 1.31% | 0.0112% | 9.25% | 0.0790% |
| CITIGROUP INC | C | 0.79% | 0.09% | 0.0007% | 10.06% | 0.0794% |
| CITRIX SYSTEMS INC | CTXS | 0.12% | 0.00% | 0.0000% | 16.11% | 0.0189% |
| CLIFFS NATURAL RESOURCES INC | CLF | 0.09% | 1.23% | 0.0011% | 12.00% | 0.0102% |
| CLOROX COMPANY | CLX | 0.08% | 3.58% | 0.0027% | 9.33% | 0.0070% |
| CME GROUP INC | CME | 0.16% | 1.95% | 0.0031% | 15.00% | 0.0237% |
| CMS ENERGY CORP | CMS | 0.05% | 4.03% | 0.0018% | 5.73% | 0.0026% |
| COACH INC | COH | 0.16% | 1.42% | 0.0023% | 16.14% | 0.0260% |
| COCA-COLA CO/THE | KO | 1.33% | 2.73% | 0.0363% | 8.00% | 0.1063% |
| COCA-COLA ENTERPRISES | CCE | 0.07% | 1.90% | 0.0014% | 9.50% | 0.0068% |
| COGNIZANT TECH SOLUTIONS-A | CTSH | 0.19% | 0.00% | 0.0000% | 19.40% | 0.0367% |
| COLGATE-PALMOLIVE CO | CL | 0.37% | 2.39% | 0.0089% | 9.00% | 0.0337% |
| COMCAST CORP-CLASS A | CMCSA | 0.42% | 1.90% | 0.0080% | 14.54% | 0.0610% |
| COMERICA INC | CMA | 0.04% | 1.57% | 0.0007% | 5.64% | 0.0025% |
| COMPUTER SCIENCES CORP | CSC | 0.04% | 2.04% | 0.0009% | 11.00% | 0.0046% |
| COMPUWARE CORP | CPWR | 0.02% | n/a | n/a | 10.50% | 0.0017% |
| CONAGRA FOODS INC | CAG | 0.09% | 3.71% | 0.0033% | 8.00% | 0.0072% |
| CONOCOPHILLIPS | COP | 0.82% | 3.73% | 0.0306% | 0.06% | 0.0005% |
| CONSOLIDATED EDISON INC | ED | 0.15% | 4.15% | 0.0060% | 3.23% | 0.0047% |
| CONSOL ENERGY INC | CNX | 0.08% | 0.97% | 0.0008% | 25.65% | 0.0213% |
| CONSTELLATION ENERGY GROUP | CEG | 0.07% | 2.39% | 0.0016% | 2.33% | 0.0016% |
| CONSTELLATION BRANDS INC-A | STZ | 0.03% | 0.00% | 0.0000% | n/a | n/a |
| CORNING INC | GLW | 0.19% | 1.59% | 0.0031% | 11.00% | 0.0212% |
| COSTCO WHOLESALE CORP | COST | 0.31% | 1.16% | 0.0036% | 13.04% | 0.0403% |
| COVENTRY HEALTH CARE INC | CVH | 0.04% | 0.00% | 0.0000% | 9.57% | 0.0039% |
| COVIDIEN PLC | COV | 0.20% | 1.82% | 0.0036% | 11.14% | 0.0221% |
| CR BARD INC | BCR | 0.06% | 0.91% | 0.0006% | 11.15% | 0.0070% |
| CSX CORP | CSX | 0.20% | 2.03% | 0.0041% | 15.46% | 0.0309% |
| CUMMINS INC | CMI | 0.16% | 1.18% | 0.0019% | 11.50% | 0.0189% |
| CVS CAREMARK CORP | CVS | 0.42% | 1.22% | 0.0051% | 10.83% | 0.0453% |
| DANAHER CORP | DHR | 0.28% | 0.19% | 0.0005% | 14.33% | 0.0407% |
| DARDEN RESTAURANTS INC | DRI | 0.05% | 3.50% | 0.0019% | 13.10% | 0.0071% |
| DAVITA INC | DVA | 0.06% | 0.00% | 0.0000% | 12.57% | 0.0070% |
| DEAN FOODS CO | DF | 0.02% | n/a | n/a | 10.50% | 0.0016% |
| DEERE & CO | DE | 0.27% | 1.81% | 0.0049% | 11.67% | 0.0314% |
| DELL INC | DELL | 0.25% | 0.00% | 0.0000% | 7.00% | 0.0173% |
| DENBURY RESOURCES INC | DNR | 0.05% | 0.00% | 0.0000% | 24.47% | 0.0132% |
| DENTSPLY INTERNATIONAL INC | XRAY | 0.04% | 0.37% | 0.0002% | 11.75% | 0.0053% |
| DEVON ENERGY CORPORATION | DVN | 0.23% | 1.02% | 0.0024% | 13.86% | 0.0321% |
| DEVRY INC | DV | 0.02% | 0.67% | 0.0001% | 11.35% | 0.0025% |
| DIAMOND OFFSHORE DRILLING | DO | 0.08% | 5.40% | 0.0042% | 18.00% | 0.0140% |
| DIRECTV-CLASS A | DTV | 0.29% | 0.00% | 0.0000% | 20.58% | 0.0591% |
| DISCOVER FINANCIAL SERVICES | DFS | 0.11% | 1.02% | 0.0011% | 10.50% | 0.0116% |
| DISCOVERY COMMUNICATIONS-A | DISCA | 0.05% | 0.00% | 0.0000% | 21.53% | 0.0113% |
| DOMINION RESOURCES INC/A | D | 0.25% | 3.82% | 0.0096% | 5.00% | 0.0126% |
| DOVER CORP | DOV | 0.09% | 2.12% | 0.0019% | 14.50% | 0.0128% |
| DOW CHEMICAL CO/THE | DOW | 0.28% | 3.23% | 0.0091% | 6.00% | 0.0169% |
| DR HORTON INC | DHI | 0.03% | 1.35% | 0.0004% | 7.67% | 0.0023% |
| DR PEPPER SNAPPLE GROUP INC | DPS | 0.07% | 3.19% | 0.0022% | 8.00% | 0.0055% |
| DTE ENERGY COMPANY | DTE | 0.08% | 4.44% | 0.0034% | 5.00% | 0.0038% |
| DU PONT (E.I.) DE NEMOURS | DD | 0.38% | 3.41% | 0.0130% | 6.69% | 0.0255% |
| DUKE ENERGY CORP | DUK | 0.23% | 4.86% | 0.0113% | 4.33% | 0.0101% |
| DUN & BRADSTREET CORP | DNB | 0.03% | 2.16% | 0.0006% | 10.00% | 0.0028% |
| E*TRADE FINANCIAL CORP | ETFC | 0.03% | 0.00% | 0.0000% | 11.00% | 0.0029% |
| EASTMAN CHEMICAL CO | EMN | 0.05% | 2.40% | 0.0011% | 7.50% | 0.0035% |
| EATON CORP | ETN | 0.13% | 3.04% | 0.0040% | 10.60% | 0.0139% |
| EBAY INC | EBAY | 0.35% | 0.00% | 0.0000% | 12.31% | 0.0433% |
| ECOLAB INC | ECL | 0.11% | 1.30% | 0.0014% | 12.50% | 0.0134% |
| EDISON INTERNATIONAL | EIX | 0.11% | 3.18% | 0.0036% | 1.00% | 0.0011% |
| EDWARDS LIFESCIENCES CORP | EW | 0.07% | 0.00% | 0.0000% | 28.04% | 0.0208% |
| EL PASO CORP | EP | 0.16% | 0.16% | 0.0003% | n/a | n/a |
| ELECTRONIC ARTS INC | ERTS | 0.07% | 0.00% | 0.0000% | 18.73% | 0.0124% |
| ELI LILLY & CO | LLY | 0.37% | 5.39% | 0.0198% | -5.18% | -0.0191% |
| EMC CORP/MASS | EMC | 0.43% | 0.00% | 0.0000% | 15.86% | 0.0687% |
| EMERSON ELECTRIC CO | EMR | 0.31% | 3.11% | 0.0095% | 12.92% | 0.0396% |
| ENTERGY CORP | ETR | 0.10% | 4.86% | 0.0051% | -0.77% | -0.0008% |
| EOG RESOURCES INC | EOG | 0.21% | 0.71% | 0.0015% | 80.10% | 0.1648% |

STANDARD AND POOR'S 500 INDEX

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|------------------------------|--------|-----------------|--------------------------|-----------------------------|-----------------------|------------------------------------|
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| EQT CORP | EQT | 0.08% | 1.39% | 0.0011% | 25.14% | 0.0204% |
| EQUIFAX INC | EFX | 0.04% | 1.82% | 0.0007% | 10.00% | 0.0036% |
| EQUITY RESIDENTIAL | EQR | 0.15% | 2.68% | 0.0040% | 8.29% | 0.0123% |
| ESTEE LAUDER COMPANIES-CL A | EL | 0.10% | 0.86% | 0.0009% | 14.43% | 0.0145% |
| EXELON CORP | EXC | 0.25% | 4.74% | 0.0120% | -0.43% | -0.0011% |
| EXPEDIA INC | EXPE | 0.06% | 1.07% | 0.0006% | 12.78% | 0.0071% |
| EXPEDITORS INTL WASH INC | EXPD | 0.08% | 1.05% | 0.0009% | 15.63% | 0.0129% |
| EXPRESS SCRIPTS INC | ESRX | 0.19% | 0.00% | 0.0000% | 16.17% | 0.0308% |
| EXXON MOBIL CORP | XOM | 3.25% | 2.37% | 0.0770% | 4.34% | 0.1411% |
| F5 NETWORKS INC | FFIV | 0.07% | 0.00% | 0.0000% | 21.10% | 0.0152% |
| FAMILY DOLLAR STORES | FDO | 0.06% | 1.25% | 0.0007% | 13.85% | 0.0082% |
| FASTENAL CO | FAST | 0.10% | 1.70% | 0.0016% | 18.75% | 0.0181% |
| FEDERATED INVESTORS INC-CL B | FII | 0.02% | 4.93% | 0.0009% | 8.00% | 0.0014% |
| FEDEX CORP | FDX | 0.22% | 0.63% | 0.0014% | 14.30% | 0.0318% |
| FIDELITY NATIONAL INFORMATIO | FIS | 0.07% | 0.76% | 0.0005% | 13.00% | 0.0089% |
| FIFTH THIRD BANCORP | FITB | 0.09% | 2.22% | 0.0021% | 4.35% | 0.0041% |
| FIRST HORIZON NATIONAL CORP | FHN | 0.02% | 0.57% | 0.0001% | 7.50% | 0.0012% |
| FIRST SOLAR INC | FSLR | 0.04% | 0.00% | 0.0000% | 13.33% | 0.0049% |
| FIRSTENERGY CORP | FE | 0.16% | 4.89% | 0.0079% | 2.50% | 0.0040% |
| FISERV INC | FISV | 0.07% | 0.00% | 0.0000% | 12.43% | 0.0089% |
| FLIR SYSTEMS INC | FLIR | 0.04% | 0.46% | 0.0002% | 13.93% | 0.0050% |
| FLOWSERVE CORP | FLS | 0.04% | 1.38% | 0.0006% | 22.00% | 0.0097% |
| FLUOR CORP | FLR | 0.08% | 0.91% | 0.0008% | 12.67% | 0.0107% |
| FMC CORP | FMC | 0.05% | 0.72% | 0.0003% | 8.44% | 0.0041% |
| FMC TECHNOLOGIES INC | FTI | 0.09% | 0.00% | 0.0000% | 13.00% | 0.0120% |
| FORD MOTOR CO | F | 0.37% | 0.00% | 0.0000% | 7.83% | 0.0292% |
| FOREST LABORATORIES INC | FRX | 0.07% | 0.00% | 0.0000% | 1.56% | 0.0011% |
| FRANKLIN RESOURCES INC | BEN | 0.20% | 1.02% | 0.0021% | 9.33% | 0.0188% |
| FREEPORT-MCMORAN COPPER | FCX | 0.33% | 3.83% | 0.0125% | n/a | n/a |
| FRONTIER COMMUNICATIONS CORP | FTR | 0.05% | 11.98% | 0.0064% | -9.64% | -0.0051% |
| GAMESTOP CORP-CLASS A | GME | 0.03% | 0.00% | 0.0000% | 10.25% | 0.0031% |
| GANNETT CO | GCI | 0.02% | 1.82% | 0.0004% | n/a | n/a |
| GAP INC/THE | GPS | 0.08% | 2.33% | 0.0019% | 7.65% | 0.0063% |
| GENERAL DYNAMICS CORP | GD | 0.20% | 2.78% | 0.0055% | 9.17% | 0.0182% |
| GENERAL ELECTRIC CO | GE | 1.52% | 3.51% | 0.0533% | 13.50% | 0.2048% |
| GENERAL MILLS INC | GIS | 0.21% | 2.98% | 0.0063% | 8.25% | 0.0175% |
| GENUINE PARTS CO | GPC | 0.08% | 3.13% | 0.0024% | 8.79% | 0.0068% |
| GENWORTH FINANCIAL INC-CL A | GNW | 0.03% | 0.00% | 0.0000% | 22.20% | 0.0060% |
| GILEAD SCIENCES INC | GILD | 0.28% | 0.00% | 0.0000% | 16.38% | 0.0451% |
| GOLDMAN SACHS GROUP INC | GS | 0.47% | 1.28% | 0.0061% | 11.75% | 0.0557% |
| GOODRICH CORP | GR | 0.13% | 0.93% | 0.0012% | 12.93% | 0.0170% |
| GOODYEAR TIRE & RUBBER CO | GT | 0.03% | 0.00% | 0.0000% | 42.46% | 0.0128% |
| GOOGLE INC-CL A | GOOG | 1.30% | 0.00% | 0.0000% | 20.11% | 0.2612% |
| H&R BLOCK INC | HRB | 0.04% | 3.93% | 0.0016% | 10.00% | 0.0040% |
| HALLIBURTON CO | HAL | 0.29% | 0.97% | 0.0028% | 22.03% | 0.0649% |
| HARLEY-DAVIDSON INC | HOG | 0.08% | 1.20% | 0.0009% | 13.00% | 0.0102% |
| HARMAN INTERNATIONAL | HAR | 0.03% | 0.22% | 0.0001% | 20.00% | 0.0052% |
| HARRIS CORP | HRS | 0.04% | 2.96% | 0.0011% | 10.67% | 0.0040% |
| HARTFORD FINANCIAL SVCS GRP | HIG | 0.07% | 1.93% | 0.0014% | 4.63% | 0.0034% |
| HASBRO INC | HAS | 0.04% | 3.12% | 0.0014% | 16.00% | 0.0070% |
| HCP INC | HCP | 0.14% | 4.82% | 0.0067% | 6.43% | 0.0089% |
| HEALTH CARE REIT INC | HCN | 0.08% | 5.41% | 0.0043% | 11.68% | 0.0093% |
| HELMERICH & PAYNE | HP | 0.05% | 0.47% | 0.0002% | 8.00% | 0.0039% |
| HERSHEY CO/THE | HSY | 0.08% | 2.40% | 0.0020% | 7.33% | 0.0060% |
| HESS CORP | HES | 0.18% | 0.65% | 0.0012% | 9.65% | 0.0176% |
| HEWLETT-PACKARD CO | HPQ | 0.45% | 1.24% | 0.0056% | 7.25% | 0.0328% |
| HJ HEINZ CO | HNZ | 0.15% | 3.60% | 0.0053% | 7.33% | 0.0108% |
| HOME DEPOT INC | HD | 0.48% | 2.81% | 0.0135% | 12.50% | 0.0599% |
| HONEYWELL INTERNATIONAL INC | HON | 0.35% | 2.55% | 0.0088% | 14.50% | 0.0503% |
| HORMEL FOODS CORP | HRL | 0.07% | 2.31% | 0.0015% | 11.00% | 0.0074% |
| HOSPIRA INC | HSP | 0.04% | 0.00% | 0.0000% | 4.52% | 0.0020% |
| HOST HOTELS & RESORTS INC | HST | 0.09% | 0.96% | 0.0008% | 10.00% | 0.0086% |
| HUDSON CITY BANCORP INC | HCBK | 0.03% | 5.88% | 0.0017% | 4.00% | 0.0011% |
| HUMANA INC | HUM | 0.12% | 0.59% | 0.0007% | 8.50% | 0.0101% |
| HUNTINGTON BANCSHARES INC | HBAN | 0.04% | 1.76% | 0.0007% | 5.50% | 0.0021% |
| INTL BUSINESS MACHINES CORP | IBM | 1.86% | 1.52% | 0.0283% | 10.00% | 0.1863% |
| ILLINOIS TOOL WORKS | ITW | 0.20% | 2.80% | 0.0057% | 12.50% | 0.0256% |
| INGERSOLL-RAND PLC | IR | 0.08% | 1.41% | 0.0012% | 12.00% | 0.0100% |
| INTEGRYS ENERGY GROUP INC | TEG | 0.04% | 5.14% | 0.0018% | 4.50% | 0.0016% |
| INTEL CORP | INTC | 1.10% | 3.18% | 0.0350% | 10.38% | 0.1145% |
| INTERCONTINENTALEXCHANGE INC | ICE | 0.08% | 0.00% | 0.0000% | 16.50% | 0.0135% |
| INTERPUBLIC GROUP OF COS INC | IPG | 0.04% | 2.53% | 0.0009% | 9.00% | 0.0034% |
| INTL FLAVORS & FRAGRANCES | IFF | 0.04% | 1.89% | 0.0008% | 6.00% | 0.0025% |
| INTL GAME TECHNOLOGY | IGT | 0.04% | 1.45% | 0.0007% | 15.00% | 0.0067% |
| INTERNATIONAL PAPER CO | IP | 0.10% | 3.59% | 0.0037% | 5.00% | 0.0052% |
| INTUIT INC | INTU | 0.14% | 0.56% | 0.0008% | 13.20% | 0.0182% |
| INTUITIVE SURGICAL INC | ISRG | 0.14% | n/a | n/a | 19.89% | 0.0288% |
| INVESCO LTD | IVZ | 0.08% | 2.43% | 0.0019% | 11.00% | 0.0085% |
| IRON MOUNTAIN INC | IRM | 0.05% | 2.50% | 0.0013% | 13.67% | 0.0074% |
| ITT CORP | ITT | 0.07% | 2.27% | 0.0016% | 10.00% | 0.0072% |
| J.C. PENNEY CO INC | JCP | 0.06% | 2.63% | 0.0015% | 13.00% | 0.0076% |
| JABIL CIRCUIT INC | JBL | 0.04% | 1.36% | 0.0005% | 12.00% | 0.0044% |
| JACOBS ENGINEERING GROUP INC | JEC | 0.04% | 0.00% | 0.0000% | 14.33% | 0.0061% |
| JANUS CAPITAL GROUP INC | JNS | 0.01% | 2.82% | 0.0003% | 7.33% | 0.0008% |
| JDS UNIPHASE CORP | JDSU | 0.02% | 0.00% | 0.0000% | 10.50% | 0.0025% |
| JM SMUCKER CO/THE | SJM | 0.08% | 2.46% | 0.0018% | 7.67% | 0.0058% |
| JOHNSON CONTROLS INC | JCI | 0.19% | 1.90% | 0.0036% | 16.05% | 0.0308% |
| JOHNSON & JOHNSON | JNJ | 1.51% | 3.54% | 0.0534% | 6.18% | 0.0933% |
| JOY GLOBAL INC | JOYG | 0.08% | 0.81% | 0.0006% | 15.60% | 0.0122% |

STANDARD AND POOR'S 500 INDEX

| Name | Ticker | [23] | [24] | [25] | [26] | [27] |
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| JPMORGAN CHASE & CO | JPM | 1.16% | 2.78% | 0.0322% | 11.32% | 0.1313% |
| JUNIPER NETWORKS INC | JNPR | 0.11% | 0.00% | 0.0000% | 16.36% | 0.0183% |
| KELLOGG CO | K | 0.17% | 3.08% | 0.0052% | 8.90% | 0.0150% |
| KEYCORP | KEY | 0.06% | 1.41% | 0.0008% | 6.41% | 0.0037% |
| KIMBERLY-CLARK CORP | KMB | 0.23% | 4.00% | 0.0094% | 5.50% | 0.0129% |
| KIMCO REALTY CORP | KIM | 0.06% | 4.11% | 0.0025% | 6.32% | 0.0038% |
| KLA-TENCOR CORPORATION | KLAC | 0.07% | 2.97% | 0.0020% | 9.67% | 0.0065% |
| KOHL'S CORP | KSS | 0.12% | 1.89% | 0.0023% | 12.20% | 0.0149% |
| KRAFT FOODS INC-CLASS A | KFT | 0.53% | 3.15% | 0.0167% | 8.50% | 0.0452% |
| KROGER CO | KR | 0.12% | 1.85% | 0.0022% | 9.81% | 0.0116% |
| L-3 COMMUNICATIONS HOLDINGS | LLL | 0.06% | 2.63% | 0.0016% | 6.89% | 0.0042% |
| LABORATORY CRP OF AMER HLDGS | LLH | 0.07% | 0.00% | 0.0000% | 12.25% | 0.0089% |
| LEGG MASON INC | LM | 0.03% | 1.16% | 0.0004% | 10.67% | 0.0037% |
| LEGGETT & PLATT INC | LEG | 0.03% | 4.93% | 0.0013% | 15.00% | 0.0040% |
| LENNAR CORP-A | LEN | 0.02% | 0.98% | 0.0002% | 8.00% | 0.0018% |
| LEUCADIA INTERNATIONAL CORP | LUX | 0.06% | n/a | n/a | n/a | n/a |
| LEXMARK INTERNATIONAL INC-A | LXK | 0.02% | 0.39% | 0.0001% | -2.00% | -0.0004% |
| LIFE TECHNOLOGIES CORP | LIFE | 0.06% | 0.00% | 0.0000% | 8.13% | 0.0051% |
| LIMITED BRANDS INC | LTD | 0.11% | 3.08% | 0.0034% | 14.50% | 0.0158% |
| LINCOLN NATIONAL CORP | LNC | 0.05% | 1.37% | 0.0007% | 10.63% | 0.0053% |
| LINEAR TECHNOLOGY CORP | LLTC | 0.06% | 3.00% | 0.0019% | 9.67% | 0.0062% |
| LOCKHEED MARTIN CORP | LMT | 0.21% | 4.30% | 0.0090% | 8.21% | 0.0173% |
| LOEWS CORP | L | 0.14% | 0.63% | 0.0009% | n/a | n/a |
| LORILLARD INC | LO | 0.13% | 4.68% | 0.0060% | 9.50% | 0.0122% |
| LOWE'S COS INC | LOW | 0.23% | 2.47% | 0.0056% | 14.03% | 0.0318% |
| LSI CORP | LSI | 0.03% | n/a | n/a | 14.50% | 0.0044% |
| M & T BANK CORP | MTB | 0.08% | 3.68% | 0.0030% | 5.47% | 0.0045% |
| MACY'S INC | M | 0.11% | 1.15% | 0.0013% | 7.10% | 0.0079% |
| MARATHON OIL CORP | MRO | 0.16% | 2.88% | 0.0046% | 4.85% | 0.0077% |
| MARATHON PETROLEUM CORP | MPC | 0.11% | 1.73% | 0.0019% | 20.00% | 0.0219% |
| MARRIOTT INTERNATIONAL-CL A | MAR | 0.09% | 1.20% | 0.0011% | 17.24% | 0.0156% |
| MARSH & MCLENNAN COS | MMC | 0.14% | 2.80% | 0.0040% | 10.67% | 0.0151% |
| MASCO CORP | MAS | 0.03% | 3.13% | 0.0009% | 15.00% | 0.0044% |
| MASTERCARD INC-CLASS A | MA | 0.36% | 0.17% | 0.0006% | 19.67% | 0.0706% |
| MATTEL INC | MAT | 0.08% | 3.26% | 0.0027% | 10.00% | 0.0082% |
| MCCORMICK & CO-NON VTG SHRS | MCK | 0.05% | 2.30% | 0.0011% | 8.75% | 0.0044% |
| MCDONALD'S CORP | MCD | 0.82% | 2.73% | 0.0224% | 10.00% | 0.0820% |
| MCGRAW-HILL COMPANIES INC | MHP | 0.11% | 2.40% | 0.0026% | 10.50% | 0.0112% |
| MCKESSON CORP | MCK | 0.17% | 0.80% | 0.0014% | 14.65% | 0.0251% |
| MEAD JOHNSON NUTRITION CO | MJN | 0.13% | 1.44% | 0.0018% | 10.25% | 0.0128% |
| MEADWESTVACO CORP | MWV | 0.04% | 3.58% | 0.0015% | 10.00% | 0.0041% |
| MEDCO HEALTH SOLUTIONS INC | MHS | 0.18% | 0.00% | 0.0000% | 13.83% | 0.0252% |
| MEDTRONIC INC | MDT | 0.31% | 2.84% | 0.0089% | 8.60% | 0.0270% |
| MEMC ELECTRONIC MATERIALS | WFR | 0.01% | 0.00% | 0.0000% | 15.00% | 0.0018% |
| MERCK & CO. INC. | MRK | 0.91% | 4.55% | 0.0414% | 3.88% | 0.0353% |
| METLIFE INC | MET | 0.32% | 2.31% | 0.0073% | 11.10% | 0.0353% |
| METROPCS COMMUNICATIONS INC | PCS | 0.03% | 0.00% | 0.0000% | 20.25% | 0.0053% |
| MICROCHIP TECHNOLOGY INC | MCHP | 0.06% | 3.86% | 0.0023% | 12.00% | 0.0071% |
| MICRON TECHNOLOGY INC | MU | 0.05% | 0.00% | 0.0000% | 9.00% | 0.0043% |
| MICROSOFT CORP | MSFT | 1.92% | 2.82% | 0.0540% | 11.58% | 0.2222% |
| MOLEX INC | MOLX | 0.02% | 3.03% | 0.0006% | 11.67% | 0.0024% |
| MOLSON COORS BREWING CO -B | TAP | 0.06% | 2.89% | 0.0017% | n/a | n/a |
| MONSANTO CO | MON | 0.33% | 1.69% | 0.0056% | 11.21% | 0.0374% |
| MONSTER WORLDWIDE INC | MWW | 0.01% | 0.00% | 0.0000% | 16.50% | 0.0017% |
| MOODY'S CORP | MCO | 0.07% | 1.32% | 0.0009% | 12.50% | 0.0087% |
| MORGAN STANLEY | MS | 0.29% | 1.17% | 0.0034% | 5.16% | 0.0150% |
| MOSAIC CO/THE | MOS | 0.15% | 0.34% | 0.0005% | n/a | n/a |
| MOTOROLA MOBILITY HOLDINGS I | MMI | 0.10% | 0.00% | 0.0000% | 13.33% | 0.0133% |
| MOTOROLA SOLUTIONS INC | MSI | 0.13% | 0.61% | 0.0008% | n/a | n/a |
| MURPHY OIL CORP | MUR | 0.09% | 2.01% | 0.0018% | n/a | n/a |
| MYLAN INC | MYL | 0.07% | 0.16% | 0.0001% | 12.44% | 0.0089% |
| NABORS INDUSTRIES LTD | NBR | 0.05% | 0.00% | 0.0000% | 8.00% | 0.0036% |
| NASDAQ OMX GROUP/THE | NDAQ | 0.04% | 0.00% | 0.0000% | 10.67% | 0.0041% |
| NATIONAL OILWELL VARCO INC | NOV | 0.26% | 0.61% | 0.0016% | 18.00% | 0.0466% |
| NETAPP INC | NTAP | 0.13% | 0.00% | 0.0000% | 18.50% | 0.0239% |
| NETFLIX INC | NFLX | 0.04% | 0.00% | 0.0000% | 22.88% | 0.0084% |
| NEWELL RUBBERMAID INC | NWL | 0.04% | 1.97% | 0.0007% | 10.25% | 0.0038% |
| NEWFIELD EXPLORATION CO | NFX | 0.05% | 0.00% | 0.0000% | 5.90% | 0.0027% |
| NEWMONT MINING CORP | NEM | 0.28% | 1.56% | 0.0044% | 15.50% | 0.0433% |
| NEWS CORP-CL A | NWSA | 0.27% | 0.92% | 0.0025% | 21.68% | 0.0594% |
| NEXTERA ENERGY INC | NEE | 0.20% | 3.87% | 0.0079% | 5.10% | 0.0104% |
| NICOR INC | GAS | 0.02% | 3.30% | 0.0007% | n/a | n/a |
| NIKE INC -CL B | NKE | 0.31% | 1.36% | 0.0042% | 12.55% | 0.0387% |
| NISOURCE INC | NI | 0.05% | 4.16% | 0.0022% | n/a | n/a |
| NOBLE CORP | NE | 0.08% | 1.71% | 0.0013% | 29.00% | 0.0225% |
| NOBLE ENERGY INC | NBL | 0.14% | 0.90% | 0.0012% | 15.75% | 0.0213% |
| NORDSTROM INC | JWN | 0.09% | 1.78% | 0.0016% | 13.00% | 0.0120% |
| NORFOLK SOUTHERN CORP | NSC | 0.21% | 2.22% | 0.0047% | 16.58% | 0.0363% |
| NORTHEAST UTILITIES | NU | 0.05% | 3.18% | 0.0017% | 7.89% | 0.0041% |
| NORTHERN TRUST CORP | NTRS | 0.08% | 2.89% | 0.0024% | 4.37% | 0.0036% |
| NORTHROP GRUMMAN CORP | NOC | 0.13% | 3.39% | 0.0044% | 8.60% | 0.0111% |
| NOVELLUS SYSTEMS INC | NVLS | 0.02% | 0.00% | 0.0000% | 11.50% | 0.0024% |
| NRG ENERGY INC | NRG | 0.04% | 0.00% | 0.0000% | 2.51% | 0.0011% |
| NUCOR CORP | NUE | 0.10% | 3.84% | 0.0039% | 12.00% | 0.0123% |
| NVIDIA CORP | NVDA | 0.08% | 0.00% | 0.0000% | 16.23% | 0.0124% |
| NYSE EURONEXT | NYX | 0.06% | 4.52% | 0.0027% | 10.00% | 0.0060% |
| O'REILLY AUTOMOTIVE INC | ORLY | 0.09% | 0.00% | 0.0000% | 17.00% | 0.0150% |
| OCCIDENTAL PETROLEUM CORP | OXY | 0.65% | 1.89% | 0.0122% | 10.50% | 0.0679% |
| OMNICOM GROUP | OMC | 0.11% | 2.24% | 0.0024% | 8.00% | 0.0084% |

STANDARD AND POOR'S 500 INDEX

| Name | Ticker | [23] | [24] | [25] | [26] | [27] |
|------------------------------|--------|-----------------|--------------------------|-----------------------------|-----------------------|------------------------------------|
| | | Weight in Index | Estimated Dividend Yield | Cap-Weighted Dividend Yield | Long-Term Growth Est. | Cap-Weighted Long-Term Growth Est. |
| ONEOK INC | OKE | 0.07% | 2.88% | 0.0019% | 15.00% | 0.0101% |
| ORACLE CORP | ORCL | 1.42% | 0.69% | 0.0097% | 15.25% | 0.2159% |
| OWENS-ILLINOIS INC | OI | 0.03% | 0.00% | 0.0000% | 5.00% | 0.0014% |
| PACCAR INC | PCAR | 0.14% | 2.20% | 0.0030% | 12.33% | 0.0167% |
| PALL CORP | PLL | 0.05% | 1.38% | 0.0007% | 12.00% | 0.0060% |
| PARKER HANNIFIN CORP | PH | 0.11% | 1.87% | 0.0020% | 6.00% | 0.0065% |
| PATTERSON COS INC | PDCO | 0.03% | 0.82% | 0.0003% | 14.33% | 0.0046% |
| PAYCHEX INC | PAYX | 0.09% | 4.28% | 0.0039% | 10.67% | 0.0096% |
| PEABODY ENERGY CORP | BTU | 0.10% | 0.78% | 0.0008% | 40.00% | 0.0402% |
| PEOPLE'S UNITED FINANCIAL | PBCT | 0.04% | 4.94% | 0.0020% | 7.67% | 0.0032% |
| PEPCO HOLDINGS INC | POM | 0.04% | 5.47% | 0.0021% | 6.33% | 0.0024% |
| PEPSICO INC | PEP | 0.84% | 3.22% | 0.0271% | 6.75% | 0.0569% |
| PERKINELMER INC | PKI | 0.02% | 1.35% | 0.0003% | 7.00% | 0.0014% |
| PFIZER INC | PFE | 1.29% | 4.14% | 0.0533% | 4.68% | 0.0602% |
| P G & E CORP | PCG | 0.15% | 4.25% | 0.0063% | 4.00% | 0.0059% |
| PHILIP MORRIS INTERNATIONAL | PMW | 1.05% | 4.12% | 0.0433% | 9.70% | 0.1019% |
| PINNACLE WEST CAPITAL | PNW | 0.04% | 4.62% | 0.0020% | 6.25% | 0.0027% |
| PIONEER NATURAL RESOURCES CO | PXD | 0.08% | 0.15% | 0.0001% | 27.70% | 0.0232% |
| PITNEY BOWES INC | PBI | 0.04% | 7.27% | 0.0026% | n/a | n/a |
| PLUM CREEK TIMBER CO | PCL | 0.05% | 4.46% | 0.0023% | 5.00% | 0.0026% |
| PNC FINANCIAL SERVICES GROUP | PNC | 0.24% | 2.17% | 0.0053% | 5.44% | 0.0132% |
| PPG INDUSTRIES INC | PPG | 0.11% | 2.61% | 0.0030% | 8.00% | 0.0091% |
| PPL CORPORATION | PPL | 0.15% | 4.79% | 0.0070% | 12.18% | 0.0177% |
| PRAXAIR INC | PX | 0.26% | 1.97% | 0.0051% | 12.02% | 0.0314% |
| PRECISION CASTPARTS CORP | PCP | 0.20% | 0.08% | 0.0002% | 11.87% | 0.0239% |
| PRICELINE.COM INC | PCLN | 0.22% | 0.00% | 0.0000% | 20.83% | 0.0451% |
| PRINCIPAL FINANCIAL GROUP | PFG | 0.07% | 2.53% | 0.0017% | 12.33% | 0.0085% |
| PROCTER & GAMBLE CO/THE | PG | 1.51% | 3.24% | 0.0488% | 9.20% | 0.1387% |
| PROGRESS ENERGY INC | PGN | 0.13% | 4.76% | 0.0063% | 5.00% | 0.0066% |
| PROGRESSIVE CORP | PGR | 0.10% | 1.68% | 0.0018% | 7.75% | 0.0081% |
| PROLOGIS INC | PLD | 0.12% | 3.30% | 0.0039% | 57.67% | 0.0675% |
| PRUDENTIAL FINANCIAL INC | PRU | 0.22% | 2.46% | 0.0055% | 13.70% | 0.0308% |
| PUBLIC SERVICE ENTERPRISE GP | PEG | 0.15% | 4.06% | 0.0059% | 3.50% | 0.0051% |
| PUBLIC STORAGE | PSA | 0.19% | 2.86% | 0.0054% | 6.48% | 0.0122% |
| PULTEGROUP INC | PHM | 0.02% | 0.00% | 0.0000% | 10.00% | 0.0017% |
| QEP RESOURCES INC | QEP | 0.05% | 0.28% | 0.0002% | 24.33% | 0.0131% |
| QUALCOMM INC | QCOM | 0.74% | 1.66% | 0.0123% | 15.07% | 0.1118% |
| QUANTA SERVICES INC | PWR | 0.04% | n/a | n/a | 11.85% | 0.0044% |
| QUEST DIAGNOSTICS INC | DGX | 0.08% | 0.76% | 0.0006% | 12.20% | 0.0092% |
| RALPH LAUREN CORP | RL | 0.08% | 0.51% | 0.0004% | 13.67% | 0.0115% |
| RANGE RESOURCES CORP | RRC | 0.10% | 0.24% | 0.0002% | 17.25% | 0.0164% |
| RAYTHEON COMPANY | RTN | 0.13% | 3.70% | 0.0048% | 9.00% | 0.0118% |
| RED HAT INC | RHT | 0.08% | 0.00% | 0.0000% | 17.86% | 0.0146% |
| REGIONS FINANCIAL CORP | RF | 0.04% | 1.02% | 0.0004% | 5.65% | 0.0024% |
| REPUBLIC SERVICES INC | RSG | 0.09% | 2.89% | 0.0026% | 10.00% | 0.0090% |
| REYNOLDS AMERICAN INC | RAI | 0.19% | 5.50% | 0.0106% | 8.00% | 0.0154% |
| ROBERT HALF INTL INC | RHI | 0.03% | 2.12% | 0.0007% | 13.25% | 0.0043% |
| ROCKWELL AUTOMATION INC | ROK | 0.08% | 2.45% | 0.0020% | 14.00% | 0.0116% |
| ROCKWELL COLLINS INC | COL | 0.07% | 1.92% | 0.0014% | 12.65% | 0.0093% |
| ROPER INDUSTRIES INC | ROP | 0.07% | 0.54% | 0.0004% | 14.00% | 0.0093% |
| ROSS STORES INC | ROST | 0.09% | 1.00% | 0.0009% | 13.60% | 0.0118% |
| ROWAN COMPANIES INC | RDC | 0.04% | 0.00% | 0.0000% | 13.00% | 0.0049% |
| RR DONNELLEY & SONS CO | RRD | 0.03% | 6.38% | 0.0017% | 10.00% | 0.0026% |
| RYDER SYSTEM INC | R | 0.02% | 2.20% | 0.0005% | 12.85% | 0.0029% |
| SAFeway INC | SWY | 0.06% | 2.64% | 0.0015% | 10.57% | 0.0060% |
| SAIC INC | SAI | 0.04% | n/a | n/a | 7.50% | 0.0027% |
| SALESFORCE.COM INC | CRM | 0.15% | 0.00% | 0.0000% | 27.64% | 0.0427% |
| SANDISK CORP | SNDK | 0.10% | 0.00% | 0.0000% | 15.67% | 0.0163% |
| SARA LEE CORP | SLE | 0.09% | 6.21% | 0.0056% | 7.33% | 0.0066% |
| SCANA CORP | SCG | 0.05% | 4.58% | 0.0021% | 4.18% | 0.0020% |
| SCHLUMBERGER LTD | SLB | 0.84% | 1.32% | 0.0111% | 23.93% | 0.2020% |
| SCHWAB (CHARLES) CORP | SCHW | 0.13% | 1.98% | 0.0025% | 16.00% | 0.0203% |
| SCRIPPS NETWORKS INTER-CL A | SNI | 0.05% | 0.80% | 0.0004% | 15.35% | 0.0071% |
| SEALED AIR CORP | SEE | 0.03% | 2.83% | 0.0008% | 9.50% | 0.0028% |
| SEARS HOLDINGS CORP | SHLD | 0.07% | 0.00% | 0.0000% | n/a | n/a |
| SEMPRA ENERGY | SRE | 0.11% | 3.29% | 0.0036% | 7.00% | 0.0077% |
| SHERWIN-WILLIAMS CO/THE | SHW | 0.07% | 1.77% | 0.0013% | 11.00% | 0.0081% |
| SIGMA-ALDRICH | SIAL | 0.07% | 1.10% | 0.0007% | 8.75% | 0.0059% |
| SIMON PROPERTY GROUP INC | SPG | 0.32% | 2.53% | 0.0082% | 7.53% | 0.0243% |
| SLM CORP | SLM | 0.06% | 2.44% | 0.0015% | 10.00% | 0.0060% |
| SNAP-ON INC | SNA | 0.03% | n/a | n/a | 10.00% | 0.0027% |
| SOUTHERN CO | SO | 0.32% | 4.33% | 0.0137% | 6.00% | 0.0190% |
| SOUTHWEST AIRLINES CO | LUV | 0.06% | 0.23% | 0.0001% | 3.00% | 0.0017% |
| SOUTHWESTERN ENERGY CO | SWN | 0.13% | 0.00% | 0.0000% | 14.05% | 0.0176% |
| SPECTRA ENERGY CORP | SE | 0.16% | 3.63% | 0.0058% | 5.00% | 0.0080% |
| SPRINT NEXTEL CORP | S | 0.07% | 0.00% | 0.0000% | 4.00% | 0.0026% |
| ST JUDE MEDICAL INC | STJ | 0.11% | 1.46% | 0.0016% | 11.78% | 0.0130% |
| STANLEY BLACK & DECKER INC | SWK | 0.09% | 2.57% | 0.0024% | n/a | n/a |
| STAPLES INC | SPLS | 0.09% | 2.64% | 0.0024% | 11.00% | 0.0100% |
| STARBUCKS CORP | SBUX | 0.27% | 1.56% | 0.0042% | 17.33% | 0.0469% |
| STARWOOD HOTELS & RESORTS | HOT | 0.08% | 0.64% | 0.0005% | 24.66% | 0.0207% |
| STATE STREET CORP | STT | 0.17% | 1.67% | 0.0029% | 12.00% | 0.0209% |
| STERICYCLE INC | SRCL | 0.06% | n/a | n/a | 17.33% | 0.0107% |
| STRYKER CORP | SYK | 0.16% | 1.19% | 0.0019% | 10.92% | 0.0171% |
| SUNOCO INC | SUN | 0.03% | 1.62% | 0.0006% | 36.84% | 0.0127% |
| SUNTRUST BANKS INC | STI | 0.09% | 0.55% | 0.0005% | 3.36% | 0.0031% |
| SUPERVALU INC | SVU | 0.01% | 4.00% | 0.0006% | 10.00% | 0.0015% |
| SYMANTEC CORP | SYM | 0.11% | 0.00% | 0.0000% | 8.57% | 0.0094% |
| SYSCO CORP | SY | 0.14% | 4.14% | 0.0058% | 10.00% | 0.0141% |

STANDARD AND POOR'S 500 INDEX

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| T ROWE PRICE GROUP INC | TROW | 0.11% | 2.35% | 0.0027% | 12.33% | 0.0141% |
| TARGET CORP | TGT | 0.32% | 1.96% | 0.0062% | 10.86% | 0.0344% |
| TE CONNECTIVITY LTD | TEL | 0.13% | 2.04% | 0.0027% | 15.00% | 0.0198% |
| TECO ENERGY INC | TE | 0.03% | 4.58% | 0.0016% | 5.00% | 0.0017% |
| TELLABS INC | TLAB | 0.01% | 1.85% | 0.0002% | 8.33% | 0.0011% |
| TENET HEALTHCARE CORP | THC | 0.02% | 0.00% | 0.0000% | 9.60% | 0.0018% |
| TERADATA CORP | TDC | 0.09% | n/a | n/a | 12.60% | 0.0108% |
| TERADYNE INC | TER | 0.02% | 0.00% | 0.0000% | 11.25% | 0.0026% |
| TESORO CORP | TSO | 0.03% | 0.05% | 0.0000% | -9.25% | -0.0030% |
| TEXAS INSTRUMENTS INC | TXN | 0.30% | 1.79% | 0.0054% | 10.34% | 0.0314% |
| TEXTRON INC | TXT | 0.05% | 0.42% | 0.0002% | 47.12% | 0.0218% |
| THERMO FISHER SCIENTIFIC INC | TMO | 0.16% | 0.00% | 0.0000% | 12.88% | 0.0212% |
| TIFFANY & CO | TIF | 0.09% | 1.45% | 0.0013% | 17.80% | 0.0155% |
| TIME WARNER CABLE | TWC | 0.17% | 3.02% | 0.0052% | 15.14% | 0.0264% |
| TIME WARNER INC | TWX | 0.31% | 2.72% | 0.0085% | 15.25% | 0.0477% |
| TITANIUM METALS CORP | TIE | 0.03% | 0.90% | 0.0002% | n/a | n/a |
| TJX COMPANIES INC | TJX | 0.19% | 1.25% | 0.0024% | 13.29% | 0.0255% |
| TORCHMARK CORP | TMK | 0.04% | 1.22% | 0.0004% | 9.00% | 0.0033% |
| TOTAL SYSTEM SERVICES INC | TSS | 0.03% | 1.54% | 0.0005% | 10.14% | 0.0033% |
| TRAVELERS COS INC/THE | TRV | 0.21% | 2.75% | 0.0057% | 8.67% | 0.0179% |
| TYCO INTERNATIONAL LTD | TYC | 0.18% | 2.39% | 0.0043% | 12.33% | 0.0223% |
| TYSON FOODS INC-CL A | TSN | 0.05% | 0.85% | 0.0004% | 8.50% | 0.0043% |
| UNION PACIFIC CORP | UNP | 0.41% | 1.80% | 0.0074% | 14.00% | 0.0577% |
| UNITED PARCEL SERVICE-CL B | UPS | 0.44% | 2.94% | 0.0130% | 9.93% | 0.0440% |
| UNITED TECHNOLOGIES CORP | UTX | 0.60% | 2.38% | 0.0144% | 11.92% | 0.0721% |
| UNITEDHEALTH GROUP INC | UNH | 0.44% | 1.27% | 0.0056% | 13.16% | 0.0582% |
| UNUM GROUP | UNM | 0.06% | 1.61% | 0.0010% | 9.50% | 0.0059% |
| URBAN OUTFITTERS INC | URBN | 0.04% | 0.00% | 0.0000% | 18.44% | 0.0066% |
| US BANCORP | USB | 0.42% | 1.92% | 0.0081% | 6.00% | 0.0253% |
| UNITED STATES STEEL CORP | X | 0.03% | 0.79% | 0.0002% | 6.50% | 0.0020% |
| VALERO ENERGY CORP | VLO | 0.12% | 0.93% | 0.0011% | -0.34% | -0.0004% |
| VARIAN MEDICAL SYSTEMS INC | VAR | 0.06% | 0.00% | 0.0000% | 13.80% | 0.0081% |
| VENTAS INC | VTR | 0.14% | 4.15% | 0.0057% | 5.35% | 0.0073% |
| VERISIGN INC | VRSN | 0.04% | 0.00% | 0.0000% | 13.00% | 0.0057% |
| VERIZON COMMUNICATIONS INC | VZ | 0.90% | 5.33% | 0.0478% | 8.80% | 0.0789% |
| VF CORP | VFC | 0.13% | 1.84% | 0.0024% | 12.00% | 0.0156% |
| VIACOM INC-CLASS B | VIA/B | 0.20% | 1.42% | 0.0028% | 15.83% | 0.0311% |
| VISA INC-CLASS A SHARES | V | 0.42% | 0.95% | 0.0040% | 18.78% | 0.0782% |
| VORNADO REALTY TRUST | VNO | 0.13% | 3.31% | 0.0043% | 2.77% | 0.0036% |
| VULCAN MATERIALS CO | VMC | 0.03% | 2.98% | 0.0010% | 9.67% | 0.0033% |
| WAL-MART STORES INC | WMT | 1.67% | 2.57% | 0.0430% | 11.25% | 0.1883% |
| WALGREEN CO | WAG | 0.25% | 2.60% | 0.0066% | 12.50% | 0.0316% |
| WALT DISNEY CO/THE | DIS | 0.55% | 1.22% | 0.0068% | 15.34% | 0.0850% |
| WASHINGTON POST-CLASS B | WPO | 0.02% | n/a | n/a | n/a | n/a |
| WASTE MANAGEMENT INC | WM | 0.13% | 4.11% | 0.0053% | 10.00% | 0.0130% |
| WATERS CORP | WAT | 0.06% | 0.00% | 0.0000% | 12.45% | 0.0078% |
| WATSON PHARMACEUTICALS INC | WPI | 0.08% | 0.00% | 0.0000% | 12.08% | 0.0093% |
| WELLPOINT INC | WLP | 0.21% | 1.44% | 0.0030% | 10.80% | 0.0222% |
| WELLS FARGO & CO | WFC | 1.17% | 1.86% | 0.0218% | 10.47% | 0.1226% |
| WESTERN DIGITAL CORP | WDC | 0.05% | 0.00% | 0.0000% | 6.50% | 0.0035% |
| WESTERN UNION CO | WU | 0.09% | 1.68% | 0.0016% | 11.56% | 0.0109% |
| WEYERHAEUSER CO | WY | 0.08% | 3.34% | 0.0028% | 5.00% | 0.0041% |
| WHIRLPOOL CORP | WHR | 0.03% | 3.80% | 0.0013% | 15.00% | 0.0050% |
| WHOLE FOODS MARKET INC | WFM | 0.11% | 0.57% | 0.0006% | 17.05% | 0.0187% |
| WILLIAMS COS INC | WMB | 0.15% | 2.76% | 0.0042% | n/a | n/a |
| WINDSTREAM CORP | WIN | 0.05% | 8.22% | 0.0044% | 0.35% | 0.0002% |
| WISCONSIN ENERGY CORP | WEC | 0.06% | 3.21% | 0.0021% | 7.13% | 0.0046% |
| WW GRAINGER INC | GWV | 0.10% | 1.48% | 0.0015% | 13.66% | 0.0140% |
| WYNDHAM WORLDWIDE CORP | WYN | 0.04% | 1.78% | 0.0008% | 13.85% | 0.0061% |
| WYNN RESORTS LTD | WYNN | 0.14% | 1.29% | 0.0018% | 28.78% | 0.0409% |
| XCEL ENERGY INC | XEL | 0.11% | 4.00% | 0.0043% | 4.68% | 0.0050% |
| XEROX CORP | XRX | 0.10% | 2.08% | 0.0020% | n/a | n/a |
| XILINX INC | XLNX | 0.08% | 2.27% | 0.0017% | 13.17% | 0.0100% |
| XL GROUP PLC | XL | 0.06% | 1.96% | 0.0011% | 10.00% | 0.0055% |
| YAHOO! INC | YHOO | 0.17% | 0.00% | 0.0000% | 13.24% | 0.0224% |
| YUM! BRANDS INC | YUM | 0.21% | 1.95% | 0.0041% | 11.67% | 0.0246% |
| ZIMMER HOLDINGS INC | ZMH | 0.09% | 0.00% | 0.0000% | 10.20% | 0.0088% |
| ZIONS BANCORPORATION | ZION | 0.03% | 0.23% | 0.0001% | 8.20% | 0.0022% |

Notes:

[18] Equals sum of Col. [25]

[19] Equals sum of Col. [27]

[20] Equals ([18] x (1 + (0.5 x [19]))) + [19]

[21] Source: Bloomberg Professional

[22] Equals [20] - [21]

[23] Equals weight in S&P 500 based on market capitalization

[24] Source: Bloomberg Professional

[25] Equals Col. [23] x Col. [24] if Col. [24] ≠ n/a

[26] Source: Bloomberg Professional

[27] Equals Col. [23] x Col. [26] if Col. [26] ≠ n/a

EIGHTEEN-MONTH BETA CALCULATION

| Date | AEP | | CNL | | GXP | | HE | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return |
| 10/28/2011 | 39.42 | 0.74% | 37.25 | 3.04% | 21.11 | 1.59% | 25.64 | 1.26% |
| 10/21/2011 | 39.13 | 1.22% | 36.15 | 3.82% | 20.78 | 2.16% | 25.32 | 0.96% |
| 10/14/2011 | 38.66 | 2.44% | 34.82 | 1.34% | 20.34 | 4.41% | 25.08 | 2.79% |
| 10/7/2011 | 37.74 | -0.74% | 34.36 | 0.64% | 19.48 | 0.93% | 24.40 | 0.49% |
| 9/30/2011 | 38.02 | 1.52% | 34.14 | -1.98% | 19.30 | -1.03% | 24.28 | -1.50% |
| 9/23/2011 | 37.45 | -0.19% | 34.83 | -2.79% | 19.50 | -1.66% | 24.65 | -0.08% |
| 9/16/2011 | 37.52 | 1.96% | 35.83 | 5.91% | 19.83 | 5.76% | 24.67 | 5.88% |
| 9/9/2011 | 36.80 | -3.11% | 33.83 | -1.89% | 18.75 | -1.00% | 23.30 | 0.47% |
| 9/2/2011 | 37.98 | 1.12% | 34.48 | -0.26% | 18.94 | 1.72% | 23.19 | -1.11% |
| 8/26/2011 | 37.56 | 1.35% | 34.57 | 3.94% | 18.62 | 2.20% | 23.45 | 3.58% |
| 8/19/2011 | 37.06 | 3.64% | 33.26 | -0.42% | 18.22 | 1.73% | 22.64 | 0.94% |
| 8/12/2011 | 35.76 | -1.32% | 33.40 | 3.95% | 17.91 | -2.24% | 22.43 | -0.49% |
| 8/5/2011 | 36.24 | -1.68% | 32.13 | -7.46% | 18.32 | -9.17% | 22.54 | -3.68% |
| 7/29/2011 | 36.86 | -2.25% | 34.72 | -2.96% | 20.17 | -2.98% | 23.40 | -5.30% |
| 7/22/2011 | 37.71 | 0.61% | 35.78 | 2.32% | 20.79 | -0.38% | 24.71 | 2.49% |
| 7/15/2011 | 37.48 | -2.27% | 34.97 | -1.33% | 20.87 | -1.51% | 24.11 | -2.43% |
| 7/8/2011 | 38.35 | 0.45% | 35.44 | 0.48% | 21.19 | 0.47% | 24.71 | 0.77% |
| 7/1/2011 | 38.18 | 2.91% | 35.27 | 2.65% | 21.09 | 2.93% | 24.52 | 4.12% |
| 6/24/2011 | 37.10 | -1.43% | 34.36 | 0.23% | 20.49 | -1.68% | 23.55 | -0.84% |
| 6/17/2011 | 37.64 | 1.40% | 34.28 | 1.24% | 20.84 | 2.56% | 23.75 | 1.50% |
| 6/10/2011 | 37.12 | -1.04% | 33.86 | -0.79% | 20.32 | -1.50% | 23.40 | -2.09% |
| 6/3/2011 | 37.51 | -2.11% | 34.13 | -1.24% | 20.63 | -1.24% | 23.90 | -2.89% |
| 5/27/2011 | 38.32 | -0.60% | 34.56 | -0.75% | 20.89 | -0.38% | 24.61 | -3.83% |
| 5/20/2011 | 38.55 | 2.58% | 34.82 | -0.37% | 20.97 | -0.38% | 25.59 | -1.69% |
| 5/13/2011 | 37.58 | 3.44% | 34.95 | 0.20% | 21.05 | 1.49% | 26.03 | 0.12% |
| 5/6/2011 | 36.33 | -0.41% | 34.88 | -0.63% | 20.74 | 0.78% | 26.00 | 2.00% |
| 4/29/2011 | 36.48 | 2.79% | 35.10 | 0.95% | 20.58 | 3.05% | 25.49 | 3.32% |
| 4/22/2011 | 35.49 | 0.08% | 34.77 | 0.49% | 19.97 | -0.50% | 24.67 | 0.12% |
| 4/15/2011 | 35.46 | 0.42% | 34.60 | -1.20% | 20.07 | -2.24% | 24.64 | -1.28% |
| 4/8/2011 | 35.31 | -0.59% | 35.02 | 0.66% | 20.53 | 0.88% | 24.96 | -1.27% |
| 4/1/2011 | 35.52 | 2.33% | 34.79 | 3.70% | 20.35 | 3.83% | 25.28 | 3.95% |
| 3/25/2011 | 34.71 | 2.66% | 33.55 | 2.91% | 19.60 | 3.21% | 24.32 | 3.40% |
| 3/18/2011 | 33.81 | -5.59% | 32.60 | -1.42% | 18.99 | -2.57% | 23.52 | -4.08% |
| 3/11/2011 | 35.81 | 1.36% | 33.07 | 0.46% | 19.49 | 1.35% | 24.52 | -0.57% |
| 3/4/2011 | 35.33 | 0.14% | 32.92 | 2.68% | 19.23 | 0.31% | 24.66 | 2.62% |
| 2/25/2011 | 35.28 | -1.34% | 32.06 | 0.98% | 19.17 | -2.79% | 24.03 | -2.08% |
| 2/18/2011 | 35.76 | -0.28% | 31.75 | 0.38% | 19.72 | -1.30% | 24.54 | -1.96% |
| 2/11/2011 | 35.86 | 0.67% | 31.63 | 1.44% | 19.98 | 1.47% | 25.03 | 0.32% |
| 2/4/2011 | 35.62 | -0.67% | 31.18 | -0.42% | 19.69 | -0.10% | 24.95 | 0.73% |
| 1/28/2011 | 35.86 | -1.59% | 31.31 | 0.97% | 19.71 | -0.25% | 24.77 | 0.28% |
| 1/21/2011 | 36.44 | 2.79% | 31.01 | -1.56% | 19.76 | -0.05% | 24.70 | 0.20% |
| 1/14/2011 | 35.45 | -1.53% | 31.50 | 1.74% | 19.77 | 1.65% | 24.65 | -0.44% |
| 1/7/2011 | 36.00 | 0.06% | 30.96 | 0.65% | 19.45 | 0.31% | 24.76 | 8.64% |
| 12/31/2010 | 35.98 | 0.17% | 30.76 | -0.84% | 19.39 | -0.67% | 22.79 | 1.51% |
| 12/24/2010 | 35.92 | -0.19% | 31.02 | -0.19% | 19.52 | 1.04% | 22.45 | 0.63% |
| 12/17/2010 | 35.99 | 0.98% | 31.08 | 2.24% | 19.32 | 0.26% | 22.31 | 0.27% |
| 12/10/2010 | 35.64 | -0.97% | 30.40 | -0.72% | 19.27 | -0.26% | 22.25 | 0.23% |
| 12/3/2010 | 35.99 | 0.39% | 30.62 | -0.33% | 19.32 | 1.95% | 22.20 | -0.09% |
| 11/26/2010 | 35.85 | 0.28% | 30.72 | 0.29% | 18.95 | 1.83% | 22.22 | -0.98% |
| 11/19/2010 | 35.75 | -2.11% | 30.63 | -0.20% | 18.61 | -1.06% | 22.44 | 0.85% |
| 11/12/2010 | 36.52 | -3.13% | 30.69 | -3.22% | 18.81 | -3.09% | 22.25 | -4.67% |
| 11/5/2010 | 37.70 | 0.69% | 31.71 | 1.41% | 19.41 | 2.00% | 23.34 | 3.55% |
| 10/29/2010 | 37.44 | 2.02% | 31.27 | 1.20% | 19.03 | 1.55% | 22.54 | 1.58% |
| 10/22/2010 | 36.70 | 2.11% | 30.90 | 0.32% | 18.74 | -1.16% | 22.19 | -1.99% |
| 10/15/2010 | 35.94 | -0.69% | 30.80 | 1.38% | 18.96 | 0.05% | 22.64 | 0.62% |
| 10/8/2010 | 36.19 | -0.08% | 30.38 | 1.64% | 18.95 | -0.11% | 22.50 | -1.01% |
| 10/1/2010 | 36.22 | -0.77% | 29.89 | 1.77% | 18.97 | 0.16% | 22.73 | 0.58% |
| 9/24/2010 | 36.50 | 1.73% | 29.37 | 1.63% | 18.94 | 0.58% | 22.60 | -2.25% |
| 9/17/2010 | 35.88 | -2.05% | 28.90 | -0.55% | 18.83 | -0.69% | 23.12 | 0.13% |
| 9/10/2010 | 36.63 | 1.41% | 29.06 | -0.27% | 18.96 | -0.52% | 23.09 | -4.47% |
| 9/3/2010 | 36.12 | 1.15% | 29.14 | 1.71% | 19.06 | 1.98% | 24.17 | 0.67% |
| 8/27/2010 | 35.71 | 2.56% | 28.65 | 2.10% | 18.69 | 0.92% | 24.01 | 0.38% |
| 8/20/2010 | 34.82 | -1.97% | 28.06 | -0.46% | 18.52 | 1.20% | 23.92 | 0.38% |
| 8/13/2010 | 35.52 | -1.28% | 28.19 | -2.22% | 18.30 | -1.24% | 23.83 | -0.08% |
| 8/6/2010 | 35.98 | 0.00% | 28.83 | 0.98% | 18.53 | 3.29% | 23.85 | 1.27% |
| 7/30/2010 | 35.98 | 0.50% | 28.55 | -0.73% | 17.94 | 0.67% | 23.55 | -1.96% |
| 7/23/2010 | 35.80 | 2.99% | 28.76 | 4.13% | 17.82 | 3.60% | 24.02 | 3.22% |
| 7/16/2010 | 34.76 | -0.23% | 27.62 | -0.93% | 17.20 | -2.82% | 23.27 | -1.31% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | AEP | | CNL | | GXP | | HE | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return |
| 7/9/2010 | 34.84 | 7.56% | 27.88 | 6.66% | 17.70 | 4.42% | 23.58 | 5.17% |
| 7/2/2010 | 32.39 | -1.82% | 26.14 | -0.68% | 16.95 | -2.08% | 22.42 | -3.20% |
| 6/25/2010 | 32.99 | -3.14% | 26.32 | -2.81% | 17.31 | -3.03% | 23.16 | -0.81% |
| 6/18/2010 | 34.06 | 4.96% | 27.08 | 4.64% | 17.85 | 4.14% | 23.35 | 4.06% |
| 6/11/2010 | 32.45 | 4.27% | 25.88 | 0.82% | 17.14 | 0.41% | 22.44 | 3.51% |
| 6/4/2010 | 31.12 | -2.63% | 25.67 | -3.02% | 17.07 | -2.74% | 21.68 | -1.28% |
| 5/28/2010 | 31.96 | 1.59% | 26.47 | 0.76% | 17.55 | 2.09% | 21.96 | 0.37% |
| 5/21/2010 | 31.46 | -4.67% | 26.27 | -4.02% | 17.19 | -7.38% | 21.88 | -5.40% |
| 5/14/2010 | 33.00 | 3.38% | 27.37 | 5.31% | 18.56 | 2.88% | 23.13 | 4.57% |
| 5/7/2010 | 31.92 | -6.94% | 25.99 | -5.15% | 18.04 | -6.67% | 22.12 | -5.27% |
| 4/30/2010 | 34.30 | 0.82% | 27.40 | -1.08% | 19.33 | 1.58% | 23.35 | -2.30% |
| 4/23/2010 | 34.02 | 0.86% | 27.70 | 3.71% | 19.03 | 1.76% | 23.90 | 5.05% |
| 4/16/2010 | 33.73 | -1.58% | 26.71 | 0.75% | 18.70 | -1.73% | 22.75 | 0.53% |
| 4/9/2010 | 34.27 | -0.64% | 26.51 | -0.93% | 19.03 | 1.22% | 22.63 | -0.18% |
| 4/2/2010 | 34.49 | 1.17% | 26.76 | 2.02% | 18.80 | 2.68% | 22.67 | 1.89% |
| 3/26/2010 | 34.09 | -1.25% | 26.23 | -1.43% | 18.31 | -3.43% | 22.25 | -0.22% |
| 3/19/2010 | 34.52 | 1.23% | 26.61 | 0.11% | 18.96 | 2.49% | 22.30 | 1.87% |
| 3/12/2010 | 34.10 | -0.44% | 26.58 | 2.11% | 18.50 | 1.87% | 21.89 | 4.09% |
| 3/5/2010 | 34.25 | 1.87% | 26.03 | 3.13% | 18.16 | 1.97% | 21.03 | 3.24% |
| 2/26/2010 | 33.62 | -1.03% | 25.24 | -3.88% | 17.81 | -2.41% | 20.37 | 2.26% |
| 2/19/2010 | 33.97 | 3.10% | 26.26 | 5.12% | 18.25 | 3.22% | 19.92 | -0.10% |
| 2/12/2010 | 32.95 | -2.05% | 24.98 | 0.08% | 17.68 | 1.32% | 19.94 | 4.84% |
| 2/5/2010 | 33.64 | -2.91% | 24.96 | -3.70% | 17.45 | -2.30% | 19.02 | -3.84% |
| 1/29/2010 | 34.65 | -2.17% | 25.92 | 0.39% | 17.86 | -2.30% | 19.78 | -6.26% |
| 1/22/2010 | 35.42 | -1.64% | 25.82 | -3.48% | 18.28 | -3.18% | 21.10 | -1.86% |
| 1/15/2010 | 36.01 | 1.12% | 26.75 | 0.15% | 18.88 | -2.53% | 21.50 | 1.65% |
| 1/8/2010 | 35.61 | 2.36% | 26.71 | -2.27% | 19.37 | -0.10% | 21.15 | 1.20% |
| 1/1/2010 | 34.79 | -0.94% | 27.33 | -1.51% | 19.39 | -2.07% | 20.90 | -1.37% |
| 12/25/2009 | 35.12 | 0.11% | 27.75 | 2.25% | 19.80 | -0.55% | 21.19 | 2.71% |
| 12/18/2009 | 35.08 | -1.41% | 27.14 | 1.65% | 19.91 | 5.40% | 20.63 | -0.29% |
| 12/11/2009 | 35.58 | 5.30% | 26.70 | 1.68% | 18.89 | 3.11% | 20.69 | 5.03% |
| 12/4/2009 | 33.79 | 7.10% | 26.26 | 2.98% | 18.32 | 2.63% | 19.70 | -1.50% |
| 11/27/2009 | 31.55 | 0.90% | 25.50 | 0.39% | 17.85 | 0.39% | 20.00 | 4.49% |
| 11/20/2009 | 31.27 | -1.11% | 25.40 | 1.07% | 17.78 | -0.61% | 19.14 | 0.00% |
| 11/13/2009 | 31.62 | 1.90% | 25.13 | 2.24% | 17.89 | 3.11% | 19.14 | 1.38% |
| 11/6/2009 | 31.03 | 2.68% | 24.58 | -0.69% | 17.35 | 0.29% | 18.88 | 5.77% |
| 10/30/2009 | 30.22 | -1.91% | 24.75 | -0.92% | 17.30 | -3.35% | 17.85 | -2.30% |
| 10/23/2009 | 30.81 | -1.97% | 24.98 | -1.89% | 17.90 | -2.66% | 18.27 | -0.38% |
| 10/16/2009 | 31.43 | 2.34% | 25.46 | -0.43% | 18.39 | -0.22% | 18.34 | -2.29% |
| 10/9/2009 | 30.71 | 1.12% | 25.57 | 4.58% | 18.43 | 3.08% | 18.77 | 4.45% |
| 10/2/2009 | 30.37 | -1.97% | 24.45 | -1.93% | 17.88 | 0.11% | 17.97 | -2.02% |
| 9/25/2009 | 30.98 | -3.37% | 24.93 | -1.03% | 17.86 | -0.61% | 18.34 | -0.33% |
| 9/18/2009 | 32.06 | 4.46% | 25.19 | 2.94% | 17.97 | 0.73% | 18.40 | 7.92% |
| 9/11/2009 | 30.69 | -0.97% | 24.47 | 0.87% | 17.84 | 0.62% | 17.05 | 0.77% |
| 9/4/2009 | 30.99 | -2.73% | 24.26 | -1.06% | 17.73 | 0.00% | 16.92 | -4.78% |
| 8/28/2009 | 31.86 | 1.17% | 24.52 | -1.68% | 17.73 | -1.72% | 17.77 | 0.40% |
| 8/21/2009 | 31.49 | 1.22% | 24.94 | 2.00% | 18.04 | 2.79% | 17.70 | -1.61% |
| 8/14/2009 | 31.11 | -0.26% | 24.45 | -0.37% | 17.55 | 0.92% | 17.99 | 2.16% |
| 8/7/2009 | 31.19 | 0.74% | 24.54 | 3.59% | 17.39 | 9.17% | 17.61 | -1.45% |
| 7/31/2009 | 30.96 | 0.06% | 23.69 | -1.04% | 15.93 | 0.44% | 17.87 | 3.59% |
| 7/24/2009 | 30.94 | 3.83% | 23.94 | 5.84% | 15.86 | 1.99% | 17.25 | -1.15% |
| 7/17/2009 | 29.80 | 4.45% | 22.62 | 3.19% | 15.55 | 5.00% | 17.45 | -1.47% |
| 7/10/2009 | 28.53 | 0.88% | 21.92 | -1.39% | 14.81 | -2.63% | 17.71 | -6.99% |
| 7/3/2009 | 28.28 | -1.15% | 22.23 | 1.93% | 15.21 | -1.43% | 19.04 | 2.20% |
| 6/26/2009 | 28.61 | 0.85% | 21.81 | -2.20% | 15.43 | -0.06% | 18.63 | -0.21% |
| 6/19/2009 | 28.37 | 1.32% | 22.30 | 0.22% | 15.44 | -2.95% | 18.67 | -3.01% |
| 6/12/2009 | 28.00 | 4.48% | 22.25 | 4.46% | 15.91 | 2.32% | 19.25 | 2.50% |
| 6/5/2009 | 26.80 | 1.75% | 21.30 | 4.11% | 15.55 | 3.19% | 18.78 | 8.87% |
| 5/29/2009 | 26.34 | 4.73% | 20.46 | 1.84% | 15.07 | 0.27% | 17.25 | 2.92% |
| 5/22/2009 | 25.15 | 0.84% | 20.09 | -3.32% | 15.03 | 1.55% | 16.76 | 4.68% |
| 5/15/2009 | 24.94 | -4.63% | 20.78 | -2.21% | 14.80 | -2.31% | 16.01 | -4.02% |
| 5/8/2009 | 26.15 | -2.93% | 21.25 | -0.23% | 15.15 | 4.55% | 16.68 | 8.03% |
| 5/1/2009 | 26.94 | 2.98% | 21.30 | -0.47% | 14.49 | 1.90% | 15.44 | 1.91% |
| 4/24/2009 | 26.16 | -4.28% | 21.40 | -4.25% | 14.22 | -3.07% | 15.15 | -8.18% |
| 4/17/2009 | 27.33 | 3.52% | 22.35 | 0.27% | 14.67 | 3.82% | 16.50 | 3.97% |
| 4/10/2009 | 26.40 | 0.38% | 22.29 | 0.00% | 14.13 | 4.28% | 15.87 | 9.68% |
| 4/3/2009 | 26.30 | 0.11% | 22.29 | -0.09% | 13.55 | -1.45% | 14.47 | 3.80% |
| 3/27/2009 | 26.27 | -4.72% | 22.31 | 4.40% | 13.75 | 5.20% | 13.94 | 3.11% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | AEP | | CNL | | GXP | | HE | |
|------------|-------|---------|-------|---------|-------|---------|-------|---------|
| | Price | Return | Price | Return | Price | Return | Price | Return |
| 3/20/2009 | 27.57 | 9.19% | 21.37 | 6.21% | 13.07 | 11.23% | 13.52 | 1.65% |
| 3/13/2009 | 25.25 | 1.77% | 20.12 | -3.55% | 11.75 | 1.21% | 13.30 | 6.83% |
| 3/6/2009 | 24.81 | -11.55% | 20.86 | 1.66% | 11.61 | -14.25% | 12.45 | -10.24% |
| 2/27/2009 | 28.05 | -4.79% | 20.52 | 3.27% | 13.54 | -4.18% | 13.87 | -14.80% |
| 2/20/2009 | 29.46 | -7.39% | 19.87 | -9.02% | 14.13 | -8.90% | 16.28 | -23.14% |
| 2/13/2009 | 31.81 | -4.24% | 21.84 | -5.58% | 15.51 | -23.75% | 21.18 | -5.70% |
| 2/6/2009 | 33.22 | 5.96% | 23.13 | 1.23% | 20.34 | 6.66% | 22.46 | 3.60% |
| 1/30/2009 | 31.35 | -1.85% | 22.85 | 4.58% | 19.07 | 1.17% | 21.68 | 0.51% |
| 1/23/2009 | 31.94 | -1.72% | 21.85 | -2.28% | 18.85 | -1.41% | 21.57 | -1.06% |
| 1/16/2009 | 32.50 | -0.34% | 22.36 | 0.63% | 19.12 | -1.14% | 21.80 | -0.73% |
| 1/9/2009 | 32.61 | -4.09% | 22.22 | -5.57% | 19.34 | -2.77% | 21.96 | -1.57% |
| 1/2/2009 | 34.00 | 5.99% | 23.53 | 6.28% | 19.89 | 6.14% | 22.31 | 3.48% |
| 12/26/2008 | 32.08 | 0.53% | 22.14 | 0.05% | 18.74 | -2.09% | 21.56 | -1.69% |
| 12/19/2008 | 31.91 | 6.97% | 22.13 | 3.22% | 19.14 | 0.90% | 21.93 | -5.56% |
| 12/12/2008 | 29.83 | -0.27% | 21.44 | -3.60% | 18.97 | 3.66% | 23.22 | 2.74% |
| 12/5/2008 | 29.91 | -4.41% | 22.24 | -5.64% | 18.30 | -2.61% | 22.60 | -17.13% |
| 11/28/2008 | 31.29 | 7.86% | 23.57 | 6.27% | 18.79 | 6.64% | 27.27 | 0.70% |
| 11/21/2008 | 29.01 | -6.27% | 22.18 | 2.69% | 17.62 | -3.40% | 27.08 | 1.50% |
| 11/14/2008 | 30.95 | 0.26% | 21.60 | 1.31% | 18.24 | -0.76% | 26.68 | 1.25% |
| 11/7/2008 | 30.87 | -5.39% | 21.32 | -7.34% | 18.38 | -5.45% | 26.35 | -1.01% |
| 10/31/2008 | 32.63 | 5.33% | 23.01 | 10.10% | 19.44 | 6.58% | 26.62 | 5.93% |
| 10/24/2008 | 30.98 | 2.08% | 20.90 | -0.62% | 18.24 | 0.00% | 25.13 | 2.87% |
| 10/17/2008 | 30.35 | 8.39% | 21.03 | 3.14% | 18.24 | 5.98% | 24.43 | 1.83% |
| 10/10/2008 | 28.00 | -21.22% | 20.39 | -17.58% | 17.21 | -22.89% | 23.99 | -13.02% |
| 10/3/2008 | 35.54 | -4.36% | 24.74 | -3.02% | 22.32 | -0.58% | 27.58 | -4.30% |
| 9/26/2008 | 37.16 | -2.67% | 25.51 | -4.46% | 22.45 | -3.19% | 28.82 | 1.48% |
| 9/19/2008 | 38.18 | -2.40% | 26.70 | 5.58% | 23.19 | -0.77% | 28.40 | 8.98% |
| 9/12/2008 | 39.12 | 4.46% | 25.29 | 3.82% | 23.37 | 2.73% | 26.06 | 5.59% |
| 9/5/2008 | 37.45 | -4.07% | 24.36 | -3.37% | 22.75 | -2.99% | 24.68 | -6.69% |
| 8/29/2008 | 39.04 | 0.21% | 25.21 | -1.68% | 23.45 | -1.88% | 26.45 | 2.12% |
| 8/22/2008 | 38.96 | 1.14% | 25.64 | -1.08% | 23.90 | -0.42% | 25.90 | 2.82% |
| 8/15/2008 | 38.52 | -1.48% | 25.92 | 1.57% | 24.00 | -3.58% | 25.19 | -1.60% |
| 8/8/2008 | 39.10 | 0.85% | 25.52 | 2.90% | 24.89 | 0.16% | 25.60 | 5.70% |
| 8/1/2008 | 38.77 | -2.24% | 24.80 | 1.39% | 24.85 | 0.65% | 24.22 | -0.86% |
| 7/25/2008 | 39.66 | 0.48% | 24.46 | 3.95% | 24.69 | -1.44% | 24.43 | 1.54% |
| 7/18/2008 | 39.47 | -1.62% | 23.53 | -3.96% | 25.05 | -3.02% | 24.06 | -0.66% |
| 7/11/2008 | 40.12 | 1.42% | 24.50 | 3.11% | 25.83 | 4.66% | 24.22 | -2.65% |
| 7/4/2008 | 39.56 | -0.05% | 23.76 | 1.63% | 24.68 | -2.30% | 24.88 | 0.61% |
| 6/27/2008 | 39.58 | -4.26% | 23.38 | -5.54% | 25.26 | -4.86% | 24.73 | -3.25% |
| 6/20/2008 | 41.34 | -3.39% | 24.75 | 0.08% | 26.55 | -0.19% | 25.56 | -3.55% |
| 6/13/2008 | 42.79 | 1.98% | 24.73 | 0.98% | 26.60 | 3.34% | 26.50 | -1.01% |
| 6/6/2008 | 41.96 | -0.87% | 24.49 | -1.96% | 25.74 | -1.87% | 26.77 | 1.48% |
| 5/30/2008 | 42.33 | 0.47% | 24.98 | 1.92% | 26.23 | 0.04% | 26.38 | 0.08% |
| 5/23/2008 | 42.13 | -2.95% | 24.51 | -1.37% | 26.22 | -0.64% | 26.36 | -0.23% |
| 5/16/2008 | 43.41 | -1.05% | 24.85 | 1.39% | 26.39 | 0.84% | 26.42 | 0.65% |
| 5/9/2008 | 43.87 | -2.71% | 24.51 | -0.12% | 26.17 | -1.36% | 26.25 | 4.42% |
| 5/2/2008 | 45.09 | 1.83% | 24.54 | 1.70% | 26.53 | 4.41% | 25.14 | 1.29% |
| 4/25/2008 | 44.28 | -0.87% | 24.13 | -0.12% | 25.41 | -0.16% | 24.82 | -0.08% |
| 4/18/2008 | 44.67 | 1.13% | 24.16 | 6.90% | 25.45 | 2.75% | 24.84 | 1.85% |
| 4/11/2008 | 44.17 | 2.96% | 22.60 | 0.22% | 24.77 | 0.41% | 24.39 | -0.69% |
| 4/4/2008 | 42.90 | 4.71% | 22.55 | 3.20% | 24.67 | 1.07% | 24.56 | 4.60% |
| 3/28/2008 | 40.97 | 0.34% | 21.85 | -4.38% | 24.41 | -0.37% | 23.48 | -0.80% |
| 3/21/2008 | 40.83 | 1.49% | 22.85 | 3.16% | 24.50 | -0.81% | 23.67 | 4.09% |
| 3/14/2008 | 40.23 | -1.01% | 22.15 | 0.82% | 24.70 | 0.16% | 22.74 | -0.44% |
| 3/7/2008 | 40.64 | -0.68% | 21.97 | -4.10% | 24.66 | -3.03% | 22.84 | 1.69% |
| 2/29/2008 | 40.92 | -3.26% | 22.91 | -5.45% | 25.43 | -5.50% | 22.46 | -3.48% |
| 2/22/2008 | 42.30 | -1.86% | 24.23 | -1.06% | 26.91 | -0.92% | 23.27 | 4.30% |
| 2/15/2008 | 43.10 | -0.14% | 24.49 | -3.96% | 27.16 | -1.24% | 22.31 | -0.18% |
| 2/8/2008 | 43.16 | -1.82% | 25.50 | -1.92% | 27.50 | -2.20% | 22.35 | -1.59% |
| 2/1/2008 | 43.96 | 6.36% | 26.00 | 4.21% | 28.12 | 5.20% | 22.71 | 5.04% |
| 1/25/2008 | 41.33 | -7.79% | 24.95 | -4.04% | 26.73 | -3.85% | 21.62 | -0.23% |
| 1/18/2008 | 44.82 | -6.55% | 26.00 | -7.14% | 27.80 | -2.46% | 21.67 | -2.56% |
| 1/11/2008 | 47.96 | 3.61% | 28.00 | 3.90% | 28.50 | 0.60% | 22.24 | 1.18% |
| 1/4/2008 | 46.29 | -1.26% | 26.95 | -2.81% | 28.33 | -3.41% | 21.98 | -4.31% |
| 12/28/2007 | 46.88 | -1.41% | 27.73 | 0.54% | 29.33 | 0.10% | 22.97 | -1.37% |
| 12/21/2007 | 47.55 | 0.36% | 27.58 | 0.77% | 29.30 | -1.35% | 23.29 | 2.78% |
| 12/14/2007 | 47.38 | -3.64% | 27.37 | -2.70% | 29.70 | -1.79% | 22.66 | -4.19% |
| 12/7/2007 | 49.17 | 3.15% | 28.13 | 0.68% | 30.24 | 1.89% | 23.65 | 2.16% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | AEP | | CNL | | GXP | | HE | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return |
| 11/30/2007 | 47.67 | 2.63% | 27.94 | 0.47% | 29.68 | -1.30% | 23.15 | -0.69% |
| 11/23/2007 | 46.45 | 0.09% | 27.81 | 2.70% | 30.07 | -0.07% | 23.31 | 5.43% |
| 11/16/2007 | 46.41 | 0.06% | 27.08 | 2.58% | 30.09 | -0.40% | 22.11 | 1.66% |
| 11/9/2007 | 46.38 | -2.23% | 26.40 | 1.66% | 30.21 | 3.57% | 21.75 | 1.54% |
| 11/2/2007 | 47.44 | -0.48% | 25.97 | 0.66% | 29.17 | 1.89% | 21.42 | -6.38% |
| 10/26/2007 | 47.67 | 4.47% | 25.80 | 4.03% | 28.63 | -1.34% | 22.88 | 3.67% |
| 10/19/2007 | 45.63 | -5.41% | 24.80 | -6.17% | 29.02 | -3.68% | 22.07 | -2.30% |
| 10/12/2007 | 48.24 | 0.56% | 26.43 | -0.23% | 30.13 | 3.08% | 22.59 | 0.58% |
| 10/5/2007 | 47.97 | 4.10% | 26.49 | 4.83% | 29.23 | 1.46% | 22.46 | 3.45% |
| 9/28/2007 | 46.08 | 0.02% | 25.27 | 2.97% | 28.81 | 0.35% | 21.71 | 1.02% |
| 9/21/2007 | 46.07 | 2.17% | 24.54 | 4.03% | 28.71 | 1.48% | 21.49 | 3.12% |
| 9/14/2007 | 45.09 | 1.21% | 23.59 | 3.60% | 28.29 | 0.39% | 20.84 | -1.00% |
| 9/7/2007 | 44.55 | 0.16% | 22.77 | -1.17% | 28.18 | -0.56% | 21.05 | 0.38% |
| 8/31/2007 | 44.48 | -4.90% | 23.04 | -4.16% | 28.34 | -1.67% | 20.97 | -1.46% |
| 8/24/2007 | 46.77 | 0.65% | 24.04 | 4.52% | 28.82 | -1.40% | 21.28 | -1.62% |
| 8/17/2007 | 46.47 | -0.92% | 23.00 | -2.75% | 29.23 | 0.34% | 21.63 | -3.57% |
| 8/10/2007 | 46.90 | 6.49% | 23.65 | 3.37% | 29.13 | 7.93% | 22.43 | 0.76% |
| 8/3/2007 | 44.04 | 1.97% | 22.88 | 1.78% | 26.99 | -1.96% | 22.26 | -2.71% |
| 7/27/2007 | 43.19 | -6.52% | 22.48 | -8.13% | 27.53 | -3.34% | 22.88 | -1.97% |
| 7/20/2007 | 46.20 | -0.37% | 24.47 | -1.92% | 28.48 | -2.47% | 23.34 | -2.10% |
| 7/13/2007 | 46.37 | 2.02% | 24.95 | 1.13% | 29.20 | 0.00% | 23.84 | 1.27% |
| 7/6/2007 | 45.45 | 0.91% | 24.67 | 0.69% | 29.20 | 0.27% | 23.54 | -0.63% |
| 6/29/2007 | 45.04 | 3.56% | 24.50 | 0.25% | 29.12 | 1.04% | 23.69 | 3.86% |
| 6/22/2007 | 43.49 | -6.01% | 24.44 | -5.34% | 28.82 | -2.54% | 22.81 | -2.56% |
| 6/15/2007 | 46.27 | 3.03% | 25.82 | 1.41% | 29.57 | 0.27% | 23.41 | 0.00% |
| 6/8/2007 | 44.91 | -5.57% | 25.46 | -5.25% | 29.49 | -4.87% | 23.41 | -3.86% |
| 6/1/2007 | 47.56 | 0.66% | 26.87 | 0.52% | 31.00 | 1.24% | 24.35 | 0.08% |
| 5/25/2007 | 47.25 | -3.85% | 26.73 | -5.51% | 30.62 | -4.88% | 24.33 | -4.10% |
| 5/18/2007 | 49.14 | 0.45% | 28.29 | 0.60% | 32.19 | -0.25% | 25.37 | 0.00% |
| 5/11/2007 | 48.92 | -2.94% | 28.12 | -1.23% | 32.27 | -0.65% | 25.37 | -2.20% |
| 5/4/2007 | 50.40 | 0.10% | 28.47 | -0.87% | 32.48 | -1.37% | 25.94 | -1.78% |
| 4/27/2007 | 50.35 | 0.02% | 28.72 | 2.39% | 32.93 | 0.30% | 26.41 | -0.15% |
| 4/20/2007 | 50.34 | 3.45% | 28.05 | 0.61% | 32.83 | 0.40% | 26.45 | 0.95% |
| 4/13/2007 | 48.66 | -0.37% | 27.88 | 6.17% | 32.70 | -0.64% | 26.20 | 0.46% |
| 4/6/2007 | 48.84 | 0.18% | 26.26 | 1.66% | 32.91 | 1.42% | 26.08 | 0.35% |
| 3/30/2007 | 48.75 | -0.83% | 25.83 | -2.49% | 32.45 | -0.67% | 25.99 | -1.10% |
| 3/23/2007 | 49.16 | 6.94% | 26.49 | 3.48% | 32.67 | 5.76% | 26.28 | 3.71% |
| 3/16/2007 | 45.97 | 1.82% | 25.60 | 0.63% | 30.89 | 0.72% | 25.34 | -0.28% |
| 3/9/2007 | 45.15 | 0.62% | 25.44 | -2.53% | 30.67 | -1.19% | 25.41 | -2.19% |
| 3/2/2007 | 44.87 | -1.92% | 26.10 | -3.58% | 31.04 | -2.24% | 25.98 | -3.85% |
| 2/23/2007 | 45.75 | -0.31% | 27.07 | 2.04% | 31.75 | 0.25% | 27.02 | 0.04% |
| 2/16/2007 | 45.89 | 0.97% | 26.53 | 4.37% | 31.67 | -0.19% | 27.01 | -0.18% |
| 2/9/2007 | 45.45 | 2.69% | 25.42 | -0.94% | 31.73 | -0.19% | 27.06 | 0.15% |
| 2/2/2007 | 44.26 | 2.31% | 25.66 | 2.68% | 31.79 | 1.18% | 27.02 | 0.71% |
| 1/26/2007 | 43.26 | 3.15% | 24.99 | 0.52% | 31.42 | -0.48% | 26.83 | -0.70% |
| 1/19/2007 | 41.94 | 0.19% | 24.86 | 0.20% | 31.57 | 1.41% | 27.02 | 0.78% |
| 1/12/2007 | 41.86 | -0.43% | 24.81 | -0.40% | 31.13 | -1.61% | 26.81 | -0.07% |
| 1/5/2007 | 42.04 | -1.27% | 24.91 | -1.27% | 31.64 | -0.50% | 26.83 | -1.18% |
| 12/29/2006 | 42.58 | 0.05% | 25.23 | -0.20% | 31.80 | 0.22% | 27.15 | -0.91% |
| 12/22/2006 | 42.56 | 0.28% | 25.28 | -1.17% | 31.73 | -1.64% | 27.40 | -0.98% |
| 12/15/2006 | 42.44 | 1.31% | 25.58 | 0.63% | 32.26 | 1.64% | 27.67 | 1.39% |
| 12/8/2006 | 41.89 | -0.33% | 25.42 | 1.23% | 31.74 | 0.06% | 27.29 | 0.52% |
| 12/1/2006 | 42.03 | 1.03% | 25.11 | -2.98% | 31.72 | -1.31% | 27.15 | 1.12% |
| 11/24/2006 | 41.60 | 0.46% | 25.88 | -0.19% | 32.14 | -0.71% | 26.85 | -0.78% |
| 11/17/2006 | 41.41 | -0.17% | 25.93 | 0.82% | 32.37 | 0.53% | 27.06 | -0.84% |
| 11/10/2006 | 41.48 | 1.32% | 25.72 | 1.14% | 32.20 | 0.88% | 27.29 | 0.18% |
| 11/3/2006 | 40.94 | -0.10% | 25.43 | -1.05% | 31.92 | -1.05% | 27.24 | -2.75% |
| 10/27/2006 | 40.98 | -0.87% | 25.70 | -0.19% | 32.26 | 0.00% | 28.01 | 0.29% |
| 10/20/2006 | 41.34 | 3.35% | 25.75 | -0.08% | 32.26 | 1.48% | 27.93 | 2.23% |
| 10/13/2006 | 40.00 | 7.35% | 25.77 | 1.82% | 31.79 | 1.66% | 27.32 | 0.26% |
| 10/6/2006 | 37.26 | 2.45% | 25.31 | 0.28% | 31.27 | 0.81% | 27.25 | 0.70% |
| 9/29/2006 | 36.37 | 0.64% | 25.24 | 0.28% | 31.02 | 0.23% | 27.06 | 0.63% |
| 9/22/2006 | 36.14 | -0.96% | 25.17 | -2.06% | 30.95 | -0.83% | 26.89 | -1.18% |
| 9/15/2006 | 36.49 | 1.62% | 25.70 | 4.47% | 31.21 | 3.00% | 27.21 | 0.59% |
| 9/8/2006 | 35.91 | -2.23% | 24.60 | -1.64% | 30.30 | -0.30% | 27.05 | -0.88% |
| 9/1/2006 | 36.73 | 2.26% | 25.01 | 3.18% | 30.39 | 2.12% | 27.29 | 1.26% |
| 8/25/2006 | 35.92 | -1.32% | 24.24 | -1.06% | 29.76 | -2.17% | 26.95 | -0.52% |
| 8/18/2006 | 36.40 | 0.22% | 24.50 | 0.99% | 30.42 | 1.37% | 27.09 | -0.04% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | AEP | | CNL | | GXP | | HE | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return |
| 8/11/2006 | 36.32 | -1.86% | 24.26 | -1.10% | 30.01 | -0.40% | 27.10 | -1.45% |
| 8/4/2006 | 37.01 | 1.73% | 24.53 | -0.69% | 30.13 | 2.03% | 27.50 | -3.98% |
| 7/28/2006 | 36.38 | 3.03% | 24.70 | 2.40% | 29.53 | 0.41% | 28.64 | 1.38% |
| 7/21/2006 | 35.31 | 2.11% | 24.12 | 4.24% | 29.41 | 2.55% | 28.25 | 1.58% |
| 7/14/2006 | 34.58 | -0.32% | 23.14 | -0.30% | 28.68 | 1.74% | 27.81 | -0.47% |
| 7/7/2006 | 34.69 | 1.28% | 23.21 | -0.17% | 28.19 | 1.18% | 27.94 | 0.11% |
| 6/30/2006 | 34.25 | 1.03% | 23.25 | 7.44% | 27.86 | 1.94% | 27.91 | 2.88% |
| 6/23/2006 | 33.90 | -0.76% | 21.64 | -3.31% | 27.33 | -1.26% | 27.13 | -0.62% |
| 6/16/2006 | 34.16 | -2.12% | 22.38 | -1.45% | 27.68 | -1.88% | 27.30 | -0.91% |
| 6/9/2006 | 34.90 | 0.00% | 22.71 | -0.87% | 28.21 | -0.35% | 27.55 | 1.10% |
| 6/2/2006 | 34.90 | 3.25% | 22.91 | 3.34% | 28.31 | 2.17% | 27.25 | 2.79% |
| 5/26/2006 | 33.80 | 2.42% | 22.17 | 1.70% | 27.71 | -0.75% | 26.51 | 2.71% |
| 5/19/2006 | 33.00 | 1.29% | 21.80 | -1.80% | 27.92 | -1.52% | 25.81 | -1.04% |
| 5/12/2006 | 32.58 | -3.92% | 22.20 | -4.31% | 28.35 | -2.21% | 26.08 | -3.34% |
| 5/5/2006 | 33.91 | 1.34% | 23.20 | 3.11% | 28.99 | 2.62% | 26.98 | 0.41% |
| 4/28/2006 | 33.46 | -0.18% | 22.50 | 1.53% | 28.25 | -0.53% | 26.87 | -0.67% |
| 4/21/2006 | 33.52 | 2.44% | 22.16 | 2.50% | 28.40 | 1.14% | 27.05 | 2.77% |
| 4/14/2006 | 32.72 | -2.94% | 21.62 | -1.73% | 28.08 | -2.16% | 26.32 | -2.37% |
| 4/7/2006 | 33.71 | -0.91% | 22.00 | -1.48% | 28.70 | 1.95% | 26.96 | -0.63% |
| 3/31/2006 | 34.02 | -2.10% | 22.33 | -0.04% | 28.15 | 0.11% | 27.13 | 0.59% |
| 3/24/2006 | 34.75 | -2.11% | 22.34 | 3.76% | 28.12 | -1.51% | 26.97 | -0.88% |
| 3/17/2006 | 35.50 | 0.54% | 21.53 | 0.00% | 28.55 | 1.42% | 27.21 | 1.53% |
| 3/10/2006 | 35.31 | -3.15% | 21.53 | -2.80% | 28.15 | -0.57% | 26.80 | 0.45% |
| 3/3/2006 | 36.46 | 0.11% | 22.15 | 0.68% | 28.31 | -1.22% | 26.68 | -0.74% |
| 2/24/2006 | 36.42 | 0.14% | 22.00 | 2.14% | 28.66 | 1.78% | 26.88 | 0.67% |
| 2/17/2006 | 36.37 | 0.94% | 21.54 | 1.08% | 28.16 | -1.02% | 26.70 | 1.71% |
| 2/10/2006 | 36.03 | -0.19% | 21.31 | 1.09% | 28.45 | 1.10% | 26.25 | 0.88% |
| 2/3/2006 | 36.10 | -3.35% | 21.08 | -4.49% | 28.14 | -1.71% | 26.02 | -1.14% |
| 1/27/2006 | 37.35 | -0.05% | 22.07 | 0.32% | 28.63 | -0.76% | 26.32 | 0.15% |
| 1/20/2006 | 37.37 | 0.51% | 22.00 | 1.06% | 28.85 | 1.37% | 26.28 | 0.65% |
| 1/13/2006 | 37.18 | -1.30% | 21.77 | 1.02% | 28.46 | -1.52% | 26.11 | 0.46% |
| 1/6/2006 | 37.67 | 1.56% | 21.55 | 3.36% | 28.90 | 3.36% | 25.99 | 0.35% |
| 12/30/2005 | 37.09 | -0.67% | 20.85 | 1.51% | 27.96 | -1.10% | 25.90 | -0.19% |
| 12/23/2005 | 37.34 | -0.21% | 20.54 | -5.26% | 28.27 | -3.81% | 25.95 | -1.33% |
| 12/16/2005 | 37.42 | 0.97% | 21.68 | -1.45% | 29.39 | 1.00% | 26.30 | -1.05% |
| 12/9/2005 | 37.06 | 0.76% | 22.00 | 0.00% | 29.10 | 0.14% | 26.58 | 0.91% |
| 12/2/2005 | 36.78 | -0.38% | 22.00 | -2.22% | 29.06 | -1.26% | 26.34 | -1.61% |
| 11/25/2005 | 36.92 | 1.12% | 22.50 | -0.49% | 29.43 | 1.55% | 26.77 | 2.65% |
| 11/18/2005 | 36.51 | 0.03% | 22.61 | 1.89% | 28.98 | 1.26% | 26.08 | 1.24% |
| 11/11/2005 | 36.50 | -1.43% | 22.19 | 2.02% | 28.62 | 0.07% | 25.76 | -0.92% |
| 11/4/2005 | 37.03 | -2.30% | 21.75 | 3.23% | 28.60 | 1.56% | 26.00 | 0.39% |
| 10/28/2005 | 37.90 | 4.52% | 21.07 | 0.00% | 28.16 | 2.29% | 25.90 | 0.19% |
| 10/21/2005 | 36.26 | -1.41% | 21.07 | -2.99% | 27.53 | -1.82% | 25.85 | -0.35% |
| 10/14/2005 | 36.78 | -4.29% | 21.72 | -5.40% | 28.04 | -3.61% | 25.94 | -4.07% |
| 10/7/2005 | 38.43 | -3.20% | 22.96 | -2.63% | 29.09 | -2.74% | 27.04 | -3.01% |
| 9/30/2005 | 39.70 | 1.85% | 23.58 | 4.11% | 29.91 | 0.23% | 27.88 | 1.83% |
| 9/23/2005 | 38.98 | 0.23% | 22.65 | -4.99% | 29.84 | -3.56% | 27.38 | -1.79% |
| 9/16/2005 | 38.89 | 1.54% | 23.84 | 0.80% | 30.94 | -1.75% | 27.88 | 1.38% |
| 9/9/2005 | 38.30 | 1.54% | 23.65 | 2.20% | 31.49 | 0.41% | 27.50 | 3.38% |
| 9/2/2005 | 37.72 | 2.39% | 23.14 | 2.75% | 31.36 | 1.62% | 26.60 | -0.04% |
| 8/26/2005 | 36.84 | 0.05% | 22.52 | -0.40% | 30.86 | -0.32% | 26.61 | 0.19% |
| 8/19/2005 | 36.82 | -1.87% | 22.61 | 2.59% | 30.96 | -0.93% | 26.56 | -1.45% |
| 8/12/2005 | 37.52 | -1.70% | 22.04 | -0.41% | 31.25 | -1.70% | 26.95 | -2.00% |
| 8/5/2005 | 38.17 | -1.37% | 22.13 | -1.56% | 31.79 | -2.06% | 27.50 | 2.12% |
| 7/29/2005 | 38.70 | -0.18% | 22.48 | 0.22% | 32.46 | 0.90% | 26.93 | -2.67% |
| 7/22/2005 | 38.77 | 0.21% | 22.43 | 1.31% | 32.17 | -0.09% | 27.67 | 0.99% |
| 7/15/2005 | 38.69 | 1.58% | 22.14 | 0.59% | 32.20 | -0.74% | 27.40 | 1.03% |
| 7/8/2005 | 38.09 | 3.34% | 22.01 | 0.96% | 32.44 | -0.06% | 27.12 | -0.29% |
| 7/1/2005 | 36.86 | 2.19% | 21.80 | 3.32% | 32.46 | 2.59% | 27.20 | 2.29% |
| 6/24/2005 | 36.07 | 0.84% | 21.10 | -1.45% | 31.64 | -1.03% | 26.59 | -2.31% |
| 6/17/2005 | 35.77 | 0.11% | 21.41 | 1.33% | 31.97 | 0.25% | 27.22 | 1.68% |
| 6/10/2005 | 35.73 | -0.20% | 21.13 | 1.98% | 31.89 | 1.24% | 26.77 | 3.16% |
| 6/3/2005 | 35.80 | 1.10% | 20.72 | -0.86% | 31.50 | 0.45% | 25.95 | 0.78% |
| 5/27/2005 | 35.41 | -0.39% | 20.90 | 2.00% | 31.36 | -2.64% | 25.75 | 0.74% |
| 5/20/2005 | 35.55 | 3.01% | 20.49 | 2.71% | 32.21 | 2.78% | 25.56 | 2.32% |
| 5/13/2005 | 34.51 | -2.02% | 19.95 | -0.35% | 31.34 | 0.45% | 24.98 | -0.12% |
| 5/6/2005 | 35.22 | 0.00% | 20.02 | -1.96% | 31.20 | 2.03% | 25.01 | -1.15% |
| 4/29/2005 | 35.22 | 0.71% | 20.42 | -1.35% | 30.58 | 0.99% | 25.30 | -1.98% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | AEP | | CNL | | GXP | | HE | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return |
| 4/22/2005 | 34.97 | 2.28% | 20.70 | 0.68% | 30.28 | 1.34% | 25.81 | 1.81% |
| 4/15/2005 | 34.19 | -0.98% | 20.56 | -2.28% | 29.88 | -1.42% | 25.35 | -2.72% |
| 4/8/2005 | 34.53 | 1.17% | 21.04 | -0.61% | 30.31 | 0.00% | 26.06 | -0.27% |
| 4/1/2005 | 34.13 | 2.22% | 21.17 | 0.81% | 30.31 | 0.56% | 26.13 | 4.52% |
| 3/25/2005 | 33.39 | -0.54% | 21.00 | -2.96% | 30.14 | -0.82% | 25.00 | -3.96% |
| 3/18/2005 | 33.57 | 0.00% | 21.64 | 5.97% | 30.39 | -0.26% | 26.03 | -1.36% |
| 3/11/2005 | 33.57 | -1.99% | 20.42 | -0.92% | 30.47 | -1.55% | 26.39 | -2.08% |
| 3/4/2005 | 34.25 | 2.51% | 20.61 | 0.59% | 30.95 | -0.64% | 26.95 | 0.75% |
| 2/25/2005 | 33.41 | -0.95% | 20.49 | 1.14% | 31.15 | -0.38% | 26.75 | -1.40% |
| 2/18/2005 | 33.73 | -2.37% | 20.26 | -0.30% | 31.27 | 0.42% | 27.13 | -3.14% |
| 2/11/2005 | 34.55 | -3.09% | 20.32 | -1.84% | 31.14 | -0.22% | 28.01 | -5.88% |
| 2/4/2005 | 35.65 | 0.73% | 20.70 | 4.07% | 31.21 | 4.00% | 29.76 | 4.17% |
| 1/28/2005 | 35.39 | 4.92% | 19.89 | 0.76% | 30.01 | 1.32% | 28.57 | -0.03% |
| 1/21/2005 | 33.73 | -2.43% | 19.74 | 0.82% | 29.62 | -1.86% | 28.58 | 0.07% |
| 1/14/2005 | 34.57 | 3.60% | 19.58 | 0.93% | 30.18 | 1.24% | 28.56 | 2.55% |
| 1/7/2005 | 33.37 | -2.82% | 19.40 | -4.24% | 29.81 | -1.55% | 27.85 | -4.46% |
| 12/31/2004 | 34.34 | -1.58% | 20.26 | -1.03% | 30.28 | -0.36% | 29.15 | -0.55% |
| 12/24/2004 | 34.89 | 0.26% | 20.47 | 0.49% | 30.39 | 0.33% | 29.31 | 0.45% |
| 12/17/2004 | 34.80 | 2.99% | 20.37 | 5.87% | 30.29 | 3.66% | 29.18 | 3.51% |
| 12/10/2004 | 33.79 | -0.76% | 19.24 | -1.84% | 29.22 | -0.71% | 28.19 | 0.64% |
| 12/3/2004 | 34.05 | -3.29% | 19.60 | -0.66% | 29.43 | -2.58% | 28.01 | -2.40% |
| 11/26/2004 | 35.21 | 3.56% | 19.73 | 2.92% | 30.21 | 0.53% | 28.70 | 2.14% |
| 11/19/2004 | 34.00 | -2.88% | 19.17 | -1.79% | 30.05 | -0.69% | 28.10 | -3.96% |
| 11/12/2004 | 35.01 | 1.89% | 19.52 | 4.61% | 30.26 | 1.37% | 29.26 | -0.17% |
| 11/5/2004 | 34.36 | 4.34% | 18.66 | 2.41% | 29.85 | 4.77% | 29.31 | 4.53% |
| 10/29/2004 | 32.93 | 2.62% | 18.22 | 3.82% | 28.49 | -0.31% | 28.04 | 4.98% |
| 10/22/2004 | 32.09 | -0.43% | 17.55 | -0.40% | 28.58 | -3.35% | 26.71 | -0.37% |
| 10/15/2004 | 32.23 | -0.46% | 17.62 | -0.34% | 29.57 | 0.17% | 26.81 | 0.49% |
| 10/8/2004 | 32.38 | 0.31% | 17.68 | 1.84% | 29.52 | 0.96% | 26.68 | -0.07% |
| 10/1/2004 | 32.28 | -0.28% | 17.36 | 0.70% | 29.24 | -0.31% | 26.70 | 2.73% |
| 9/24/2004 | 32.37 | -1.43% | 17.24 | -3.69% | 29.33 | -2.30% | 25.99 | -1.10% |
| 9/17/2004 | 32.84 | -0.30% | 17.90 | 0.11% | 30.02 | -0.89% | 26.28 | 0.04% |
| 9/10/2004 | 32.94 | 0.09% | 17.88 | 2.76% | 30.29 | -0.16% | 26.27 | 1.59% |
| 9/3/2004 | 32.91 | 1.79% | 17.40 | 0.52% | 30.34 | 3.20% | 25.86 | 1.93% |
| 8/27/2004 | 32.33 | 0.09% | 17.31 | 1.52% | 29.40 | 1.10% | 25.37 | -0.12% |
| 8/20/2004 | 32.30 | 1.38% | 17.05 | 3.08% | 29.08 | 1.50% | 25.40 | 1.03% |
| 8/13/2004 | 31.86 | -0.44% | 16.54 | -2.30% | 28.65 | -2.08% | 25.14 | -0.83% |
| 8/6/2004 | 32.00 | 2.86% | 16.93 | -1.86% | 29.26 | 1.99% | 25.35 | -0.71% |
| 7/30/2004 | 31.11 | 1.97% | 17.25 | -2.49% | 28.69 | -5.75% | 25.53 | -0.66% |
| 7/23/2004 | 30.51 | -4.45% | 17.69 | 0.06% | 30.44 | -3.37% | 25.70 | -2.21% |
| 7/16/2004 | 31.93 | 1.59% | 17.68 | 0.57% | 31.50 | 5.39% | 26.28 | 1.86% |
| 7/9/2004 | 31.43 | -0.85% | 17.58 | -2.06% | 29.89 | -0.47% | 25.80 | -1.11% |
| 7/2/2004 | 31.70 | -0.84% | 17.95 | -0.28% | 30.03 | 0.43% | 26.09 | 0.54% |
| 6/25/2004 | 31.97 | 0.25% | 18.00 | 2.92% | 29.90 | -0.27% | 25.95 | 2.45% |
| 6/18/2004 | 31.89 | 2.21% | 17.49 | 2.04% | 29.98 | 0.03% | 25.33 | 3.92% |
| 6/11/2004 | 31.20 | 0.84% | 17.14 | 1.06% | 29.97 | 2.43% | 24.38 | -0.08% |
| 6/4/2004 | 30.94 | -2.61% | 16.96 | -2.25% | 29.26 | -3.40% | 24.40 | 0.37% |
| 5/28/2004 | 31.77 | 6.25% | 17.35 | 3.71% | 30.29 | 3.27% | 24.31 | 3.47% |
| 5/21/2004 | 29.90 | 0.07% | 16.73 | -0.48% | 29.33 | -1.25% | 23.49 | 1.82% |
| 5/14/2004 | 29.88 | 1.05% | 16.81 | -1.75% | 29.70 | -2.59% | 23.07 | -3.45% |
| 5/7/2004 | 29.57 | -2.86% | 17.11 | -4.68% | 30.49 | -2.31% | 23.90 | -3.96% |
| 4/30/2004 | 30.44 | -1.07% | 17.95 | 0.84% | 31.21 | -3.64% | 24.88 | -1.21% |
| 4/23/2004 | 30.77 | -0.71% | 17.80 | 1.14% | 32.39 | 0.37% | 25.19 | 2.21% |
| 4/16/2004 | 30.99 | -3.46% | 17.60 | -3.30% | 32.27 | -5.09% | 24.64 | -4.22% |
| 4/9/2004 | 32.10 | -2.73% | 18.20 | -3.96% | 34.00 | -0.23% | 25.73 | -1.06% |
| 4/2/2004 | 33.00 | 0.76% | 18.95 | 2.54% | 34.08 | 1.82% | 26.00 | 1.44% |
| 3/26/2004 | 32.75 | -2.24% | 18.48 | 0.65% | 33.47 | -3.66% | 25.63 | -1.14% |
| 3/19/2004 | 33.50 | -0.36% | 18.36 | -1.92% | 34.74 | 0.70% | 25.93 | 0.70% |
| 3/12/2004 | 33.62 | -1.26% | 18.72 | -4.15% | 34.50 | -2.24% | 25.75 | -3.34% |
| 3/5/2004 | 34.05 | -1.30% | 19.53 | 2.95% | 35.29 | 1.85% | 26.64 | 0.60% |
| 2/27/2004 | 34.50 | 2.86% | 18.97 | -0.16% | 34.65 | 0.06% | 26.48 | 2.48% |
| 2/20/2004 | 33.54 | 0.27% | 19.00 | 3.94% | 34.63 | 0.09% | 25.84 | 0.33% |
| 2/13/2004 | 33.45 | 1.33% | 18.28 | -1.77% | 34.60 | 0.70% | 25.75 | -0.39% |
| 2/6/2004 | 33.01 | 1.10% | 18.61 | 2.42% | 34.36 | 3.43% | 25.85 | 1.75% |
| 1/30/2004 | 32.65 | 2.42% | 18.17 | -5.27% | 33.22 | 0.88% | 25.41 | 0.61% |
| 1/23/2004 | 31.88 | 2.11% | 19.18 | 1.97% | 32.93 | 1.64% | 25.25 | 3.80% |
| 1/16/2004 | 31.22 | 0.64% | 18.81 | 4.21% | 32.40 | 1.50% | 24.33 | 0.79% |
| 1/9/2004 | 31.02 | 0.85% | 18.05 | -0.17% | 31.92 | 0.22% | 24.14 | 1.84% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | AEP | | CNL | | GXP | | HE | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return |
| 1/2/2004 | 30.76 | 2.47% | 18.08 | 0.44% | 31.85 | -1.55% | 23.70 | 0.70% |
| 12/26/2003 | 30.02 | 0.47% | 18.00 | 2.62% | 32.35 | 0.31% | 23.54 | 1.05% |
| 12/19/2003 | 29.88 | 5.58% | 17.54 | -1.29% | 32.25 | 2.94% | 23.29 | 1.24% |
| 12/12/2003 | 28.30 | -0.39% | 17.77 | 1.02% | 31.33 | -0.98% | 23.01 | -0.54% |
| 12/5/2003 | 28.41 | 2.60% | 17.59 | -1.07% | 31.64 | -0.28% | 23.13 | 0.37% |
| 11/28/2003 | 27.69 | 2.10% | 17.78 | 4.59% | 31.73 | 1.57% | 23.05 | 2.65% |
| 11/21/2003 | 27.12 | -0.88% | 17.00 | 1.67% | 31.24 | -1.95% | 22.45 | -2.07% |
| 11/14/2003 | 27.36 | 0.70% | 16.72 | -1.59% | 31.86 | -0.59% | 22.93 | 2.57% |
| 11/7/2003 | 27.17 | -3.62% | 16.99 | 1.43% | 32.05 | 0.53% | 22.35 | -2.34% |
| 10/31/2003 | 28.19 | -3.62% | 16.75 | 4.23% | 31.88 | 0.79% | 22.89 | 2.81% |
| 10/24/2003 | 29.25 | -0.65% | 16.07 | -1.47% | 31.63 | 1.22% | 22.26 | 1.53% |
| 10/17/2003 | 29.44 | -0.41% | 16.31 | -2.28% | 31.25 | -1.30% | 21.93 | -0.27% |
| 10/10/2003 | 29.56 | -1.04% | 16.69 | 0.18% | 31.66 | 1.09% | 21.99 | -0.07% |
| 10/3/2003 | 29.87 | 1.32% | 16.66 | 2.46% | 31.32 | 4.30% | 22.00 | 0.69% |
| 9/26/2003 | 29.48 | -0.64% | 16.26 | -2.46% | 30.03 | -2.34% | 21.85 | -1.49% |
| 9/19/2003 | 29.67 | 0.54% | 16.67 | 2.52% | 30.75 | 2.95% | 22.18 | 0.27% |
| 9/12/2003 | 29.51 | 1.48% | 16.26 | 2.91% | 29.87 | 1.56% | 22.12 | 1.03% |
| 9/5/2003 | 29.08 | 2.72% | 15.80 | 1.02% | 29.41 | 1.55% | 21.90 | 1.88% |
| 8/29/2003 | 28.31 | 0.86% | 15.64 | -0.38% | 28.96 | 0.00% | 21.49 | 2.33% |
| 8/22/2003 | 28.07 | 0.00% | 15.70 | -2.12% | 28.96 | 0.52% | 21.00 | -0.19% |
| 8/15/2003 | 28.07 | 1.81% | 16.04 | 5.74% | 28.81 | 1.91% | 21.04 | 1.40% |
| 8/8/2003 | 27.57 | -1.39% | 15.17 | -4.47% | 28.27 | 0.60% | 20.75 | -2.35% |
| 8/1/2003 | 27.96 | 0.47% | 15.88 | -2.16% | 28.10 | -0.35% | 21.25 | -1.96% |
| 7/25/2003 | 27.83 | 1.94% | 16.23 | 1.50% | 28.20 | 0.39% | 21.68 | -0.96% |
| 7/18/2003 | 27.30 | -3.43% | 15.99 | -7.09% | 28.09 | -0.74% | 21.89 | -1.82% |
| 7/11/2003 | 28.27 | | 17.21 | | 28.30 | | 22.29 | |

EIGHTEEN-MONTH BETA CALCULATION

| Date | IDA | | PNW | | POR | | SO | | WR | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return | Price | Return |
| 10/28/2011 | 41.25 | 1.53% | 46.46 | 0.65% | 24.66 | -0.28% | 43.31 | -1.43% | 27.44 | -0.40% |
| 10/21/2011 | 40.63 | 1.58% | 46.16 | 3.36% | 24.73 | 2.27% | 43.94 | 2.98% | 27.55 | 3.03% |
| 10/14/2011 | 40.00 | 3.49% | 44.66 | 3.72% | 24.18 | 4.13% | 42.67 | 0.71% | 26.74 | 1.29% |
| 10/7/2011 | 38.65 | 2.30% | 43.06 | 0.28% | 23.22 | -1.98% | 42.37 | 0.00% | 26.40 | -0.08% |
| 9/30/2011 | 37.78 | 0.40% | 42.94 | -0.26% | 23.69 | 1.76% | 42.37 | -0.12% | 26.42 | 0.27% |
| 9/23/2011 | 37.63 | -3.64% | 43.05 | -2.62% | 23.28 | -5.33% | 42.42 | -0.40% | 26.35 | 0.42% |
| 9/16/2011 | 39.05 | 8.87% | 44.21 | 5.51% | 24.59 | 5.95% | 42.59 | 4.54% | 26.24 | 5.13% |
| 9/9/2011 | 35.87 | -1.40% | 41.90 | -2.96% | 23.21 | -1.02% | 40.74 | -1.02% | 24.96 | -4.04% |
| 9/2/2011 | 36.38 | -1.03% | 43.18 | 0.35% | 23.45 | -0.34% | 41.16 | 0.81% | 26.01 | 1.88% |
| 8/26/2011 | 36.76 | 2.60% | 43.03 | 3.04% | 23.53 | 4.35% | 40.83 | 2.15% | 25.53 | 2.57% |
| 8/19/2011 | 35.83 | -0.91% | 41.76 | 1.78% | 22.55 | -2.00% | 39.97 | 1.94% | 24.89 | 1.34% |
| 8/12/2011 | 36.16 | -1.44% | 41.03 | 2.55% | 23.01 | -0.90% | 39.21 | -1.66% | 24.56 | 1.82% |
| 8/5/2011 | 36.69 | -6.43% | 40.01 | -5.53% | 23.22 | -6.30% | 39.87 | 0.83% | 24.12 | -6.55% |
| 7/29/2011 | 39.21 | -2.75% | 42.35 | -4.60% | 24.78 | -3.32% | 39.54 | -2.56% | 25.81 | -3.19% |
| 7/22/2011 | 40.32 | 1.20% | 44.39 | 1.12% | 25.63 | 0.71% | 40.58 | 0.90% | 26.66 | 0.41% |
| 7/15/2011 | 39.84 | -0.92% | 43.90 | -1.97% | 25.45 | -1.32% | 40.22 | -0.22% | 26.55 | -1.92% |
| 7/8/2011 | 40.21 | 0.30% | 44.78 | -0.71% | 25.79 | 0.47% | 40.31 | -1.01% | 27.07 | -0.51% |
| 7/1/2011 | 40.09 | 3.01% | 45.10 | 3.16% | 25.67 | 2.52% | 40.72 | 3.27% | 27.21 | 3.46% |
| 6/24/2011 | 38.92 | 0.57% | 43.72 | -0.30% | 25.04 | -1.61% | 39.43 | -0.95% | 26.30 | -0.90% |
| 6/17/2011 | 38.70 | 1.52% | 43.85 | 1.65% | 25.45 | 1.84% | 39.81 | 1.22% | 26.54 | 1.45% |
| 6/10/2011 | 38.12 | -2.21% | 43.14 | -1.21% | 24.99 | -1.03% | 39.33 | -0.10% | 26.16 | -1.25% |
| 6/3/2011 | 38.98 | -0.08% | 43.67 | -2.93% | 25.25 | -1.83% | 39.37 | -1.08% | 26.49 | -1.52% |
| 5/27/2011 | 39.01 | -0.56% | 44.99 | -0.86% | 25.72 | 0.63% | 39.80 | -1.66% | 26.90 | -2.36% |
| 5/20/2011 | 39.23 | -1.18% | 45.38 | 0.38% | 25.56 | -0.51% | 40.47 | -0.05% | 27.55 | -1.08% |
| 5/13/2011 | 39.70 | 1.28% | 45.21 | 2.40% | 25.69 | 3.17% | 40.49 | 2.51% | 27.85 | 2.77% |
| 5/6/2011 | 39.20 | -0.03% | 44.15 | 1.75% | 24.90 | -0.24% | 39.50 | 1.18% | 27.10 | -0.40% |
| 4/29/2011 | 39.21 | 2.64% | 43.39 | 1.71% | 24.96 | 2.55% | 39.04 | 1.24% | 27.21 | 3.66% |
| 4/22/2011 | 38.20 | -1.04% | 42.66 | -0.70% | 24.34 | 1.97% | 38.56 | 0.60% | 26.25 | 0.54% |
| 4/15/2011 | 38.60 | -0.54% | 42.96 | -0.14% | 23.87 | -0.83% | 38.33 | -0.18% | 26.11 | -0.76% |
| 4/8/2011 | 38.81 | 0.96% | 43.02 | -0.60% | 24.07 | -0.08% | 38.40 | 0.23% | 26.31 | -1.61% |
| 4/1/2011 | 38.44 | 3.36% | 43.28 | 2.68% | 24.09 | 2.99% | 38.31 | 1.94% | 26.74 | 2.69% |
| 3/25/2011 | 37.19 | 0.92% | 42.15 | 1.79% | 23.39 | -0.21% | 37.58 | 1.57% | 26.04 | 2.12% |
| 3/18/2011 | 36.85 | -1.15% | 41.41 | -4.94% | 23.44 | -0.55% | 37.00 | -3.34% | 25.50 | -1.89% |
| 3/11/2011 | 37.28 | -0.88% | 43.56 | 0.53% | 23.57 | 0.21% | 38.28 | 0.82% | 25.99 | 0.70% |
| 3/4/2011 | 37.61 | -0.27% | 43.33 | 3.86% | 23.52 | 2.22% | 37.97 | -0.24% | 25.81 | -0.31% |
| 2/25/2011 | 37.71 | -1.23% | 41.72 | -0.38% | 23.01 | 1.14% | 38.06 | 0.50% | 25.89 | -1.45% |
| 2/18/2011 | 38.18 | -0.44% | 41.88 | -0.14% | 22.75 | -0.48% | 37.87 | -0.42% | 26.27 | 1.16% |
| 2/11/2011 | 38.35 | 1.37% | 41.94 | 2.19% | 22.86 | 1.28% | 38.03 | 1.85% | 25.97 | 0.93% |
| 2/4/2011 | 37.83 | 0.34% | 41.04 | 0.24% | 22.57 | 0.80% | 37.34 | -1.14% | 25.73 | 0.35% |
| 1/28/2011 | 37.70 | -0.71% | 40.94 | -1.68% | 22.39 | 1.73% | 37.77 | -1.25% | 25.64 | -0.62% |
| 1/21/2011 | 37.97 | 0.21% | 41.64 | 0.29% | 22.01 | 0.00% | 38.25 | -0.65% | 25.80 | 0.58% |
| 1/14/2011 | 37.89 | 1.80% | 41.52 | -0.17% | 22.01 | 0.41% | 38.50 | 1.10% | 25.65 | 1.06% |
| 1/7/2011 | 37.22 | 0.65% | 41.59 | 0.34% | 21.92 | 1.01% | 38.08 | -0.39% | 25.38 | 0.87% |
| 12/31/2010 | 36.98 | -1.41% | 41.45 | -0.86% | 21.70 | -1.72% | 38.23 | -0.08% | 25.16 | -0.71% |
| 12/24/2010 | 37.51 | -0.21% | 41.81 | 0.72% | 22.08 | -1.03% | 38.26 | 0.95% | 25.34 | -0.04% |
| 12/17/2010 | 37.59 | 0.24% | 41.51 | 1.59% | 22.31 | 1.92% | 37.90 | 0.21% | 25.35 | 1.73% |
| 12/10/2010 | 37.50 | 0.43% | 40.86 | -0.34% | 21.89 | 0.00% | 37.82 | -0.79% | 24.92 | -1.54% |
| 12/3/2010 | 37.34 | 2.84% | 41.00 | 1.16% | 21.89 | 3.55% | 38.12 | 0.77% | 25.31 | 0.48% |
| 11/26/2010 | 36.31 | 1.14% | 40.53 | -0.88% | 21.14 | 0.96% | 37.83 | -0.63% | 25.19 | 0.52% |
| 11/19/2010 | 35.90 | -1.21% | 40.89 | -0.05% | 20.94 | -1.37% | 38.07 | -0.05% | 25.06 | 1.25% |
| 11/12/2010 | 36.34 | -2.47% | 40.91 | -2.92% | 21.23 | -1.35% | 38.09 | -0.99% | 24.75 | -3.13% |
| 11/5/2010 | 37.26 | 1.25% | 42.14 | 2.38% | 21.52 | 2.97% | 38.47 | 1.58% | 25.55 | 0.99% |
| 10/29/2010 | 36.80 | 0.33% | 41.16 | -2.42% | 20.90 | 0.72% | 37.87 | -1.17% | 25.30 | 1.52% |
| 10/22/2010 | 36.68 | 1.44% | 42.18 | 1.25% | 20.75 | 0.19% | 38.32 | 1.70% | 24.92 | 0.69% |
| 10/15/2010 | 36.16 | -0.52% | 41.66 | 0.97% | 20.71 | 0.68% | 37.68 | -0.08% | 24.75 | 0.32% |
| 10/8/2010 | 36.35 | -0.85% | 41.26 | -0.94% | 20.57 | 0.93% | 37.71 | 1.53% | 24.67 | 0.69% |
| 10/1/2010 | 36.66 | 5.62% | 41.65 | 1.02% | 20.38 | 1.24% | 37.14 | -0.93% | 24.50 | 1.74% |
| 9/24/2010 | 34.71 | -0.40% | 41.23 | 2.16% | 20.13 | -0.54% | 37.49 | 1.16% | 24.08 | 1.60% |
| 9/17/2010 | 34.85 | -2.27% | 40.36 | -0.47% | 20.24 | 0.40% | 37.06 | -0.13% | 23.70 | -1.86% |
| 9/10/2010 | 35.66 | -1.19% | 40.55 | -1.19% | 20.16 | -0.88% | 37.11 | 0.32% | 24.15 | -1.07% |
| 9/3/2010 | 36.09 | 1.21% | 41.04 | 1.74% | 20.34 | 0.49% | 36.99 | 0.05% | 24.41 | 1.58% |
| 8/27/2010 | 35.66 | 1.48% | 40.34 | 2.70% | 20.24 | 2.79% | 36.97 | 3.33% | 24.03 | 2.60% |
| 8/20/2010 | 35.14 | -0.82% | 39.28 | -0.56% | 19.69 | 0.00% | 35.78 | -0.17% | 23.42 | -1.80% |
| 8/13/2010 | 35.43 | -1.72% | 39.50 | 0.41% | 19.69 | -1.01% | 35.84 | -0.11% | 23.85 | -1.97% |
| 8/6/2010 | 36.05 | 2.36% | 39.34 | 3.28% | 19.89 | 4.14% | 35.88 | 1.56% | 24.33 | 1.88% |
| 7/30/2010 | 35.22 | -2.03% | 38.09 | -2.43% | 19.10 | 0.05% | 35.33 | -1.56% | 23.88 | 0.80% |
| 7/23/2010 | 35.95 | 3.51% | 39.04 | 3.17% | 19.09 | 3.02% | 35.89 | 3.19% | 23.69 | 3.68% |
| 7/16/2010 | 34.73 | -0.32% | 37.84 | -0.81% | 18.53 | -2.78% | 34.78 | 0.20% | 22.85 | 0.62% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | IDA | | PNW | | POR | | SO | | WR | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return | Price | Return |
| 7/9/2010 | 34.84 | 6.15% | 38.15 | 5.27% | 19.06 | 4.90% | 34.71 | 3.98% | 22.71 | 5.68% |
| 7/2/2010 | 32.82 | -2.23% | 36.24 | -0.98% | 18.17 | -1.73% | 33.38 | 0.30% | 21.49 | -2.01% |
| 6/25/2010 | 33.57 | -4.03% | 36.60 | -2.74% | 18.49 | -5.18% | 33.28 | -2.43% | 21.93 | -3.73% |
| 6/18/2010 | 34.98 | 6.48% | 37.63 | 5.52% | 19.50 | 4.33% | 34.11 | 3.27% | 22.78 | 4.35% |
| 6/11/2010 | 32.85 | 3.01% | 35.66 | 2.65% | 18.69 | 2.02% | 33.03 | 2.80% | 21.83 | 0.69% |
| 6/4/2010 | 31.89 | -3.51% | 34.74 | -1.05% | 18.32 | -3.12% | 32.13 | -1.74% | 21.68 | -1.45% |
| 5/28/2010 | 33.05 | 2.16% | 35.11 | -0.17% | 18.91 | 0.96% | 32.70 | -2.74% | 22.00 | 0.41% |
| 5/21/2010 | 32.35 | -6.50% | 35.17 | -2.76% | 18.73 | -4.00% | 33.62 | -2.47% | 21.91 | -6.05% |
| 5/14/2010 | 34.60 | 3.78% | 36.17 | 2.93% | 19.51 | 2.25% | 34.47 | 1.62% | 23.32 | 4.62% |
| 5/7/2010 | 33.34 | -7.59% | 35.14 | -5.89% | 19.08 | -4.02% | 33.92 | -1.85% | 22.29 | -5.91% |
| 4/30/2010 | 36.08 | -1.15% | 37.34 | -2.84% | 19.88 | -1.34% | 34.56 | -0.49% | 23.69 | 1.67% |
| 4/23/2010 | 36.50 | 3.49% | 38.43 | 2.43% | 20.15 | 3.44% | 34.73 | 2.54% | 23.30 | 3.14% |
| 4/16/2010 | 35.27 | 0.60% | 37.52 | -1.26% | 19.48 | -0.71% | 33.87 | -0.18% | 22.59 | 0.00% |
| 4/9/2010 | 35.06 | -0.17% | 38.00 | -0.29% | 19.62 | -0.15% | 33.93 | 1.53% | 22.59 | 0.00% |
| 4/2/2010 | 35.12 | 2.24% | 38.11 | 1.49% | 19.65 | 2.93% | 33.42 | 0.97% | 22.59 | 2.87% |
| 3/26/2010 | 34.35 | -1.91% | 37.55 | -0.58% | 19.09 | -1.70% | 33.10 | -0.24% | 21.96 | -1.83% |
| 3/19/2010 | 35.02 | -0.26% | 37.77 | 1.18% | 19.42 | 1.09% | 33.18 | 2.16% | 22.37 | 1.36% |
| 3/12/2010 | 35.11 | 2.27% | 37.33 | -1.74% | 19.21 | 0.73% | 32.48 | 0.81% | 22.07 | 1.10% |
| 3/5/2010 | 34.33 | 3.94% | 37.99 | 4.34% | 19.07 | 6.00% | 32.22 | 1.42% | 21.83 | 2.01% |
| 2/26/2010 | 33.03 | 0.03% | 36.41 | -2.57% | 17.99 | -6.74% | 31.77 | -1.61% | 21.40 | -3.52% |
| 2/19/2010 | 33.02 | 4.00% | 37.37 | 5.86% | 19.29 | 1.63% | 32.29 | 3.59% | 22.18 | 4.52% |
| 2/12/2010 | 31.75 | 4.06% | 35.30 | -0.20% | 18.98 | -0.37% | 31.17 | -1.67% | 21.22 | 1.34% |
| 2/5/2010 | 30.51 | -2.68% | 35.37 | -1.26% | 19.05 | -2.31% | 31.70 | -0.94% | 20.94 | -1.83% |
| 1/29/2010 | 31.35 | -0.60% | 35.82 | -0.47% | 19.50 | -1.56% | 32.00 | -1.66% | 21.33 | -1.07% |
| 1/22/2010 | 31.54 | -3.04% | 35.99 | -3.07% | 19.81 | -2.75% | 32.54 | -2.40% | 21.56 | -3.06% |
| 1/15/2010 | 32.53 | 0.71% | 37.13 | 0.57% | 20.37 | 1.85% | 33.34 | 1.55% | 22.24 | 2.39% |
| 1/8/2010 | 32.30 | 1.10% | 36.92 | 0.93% | 20.00 | -2.01% | 32.83 | -1.47% | 21.72 | 0.00% |
| 1/1/2010 | 31.95 | -2.08% | 36.58 | -1.43% | 20.41 | -1.50% | 33.32 | -0.39% | 21.72 | -1.41% |
| 12/25/2009 | 32.63 | 2.97% | 37.11 | -0.05% | 20.72 | -0.53% | 33.45 | -1.01% | 22.03 | 0.69% |
| 12/18/2009 | 31.69 | 1.64% | 37.13 | -1.56% | 20.83 | -1.79% | 33.79 | -1.26% | 21.88 | -0.14% |
| 12/11/2009 | 31.18 | 2.90% | 37.72 | 4.11% | 21.21 | 3.56% | 34.22 | 4.23% | 21.91 | 2.67% |
| 12/4/2009 | 30.30 | 2.54% | 36.23 | 3.81% | 20.48 | 5.79% | 32.83 | 3.86% | 21.34 | 4.35% |
| 11/27/2009 | 29.55 | 0.34% | 34.90 | 2.56% | 19.36 | -0.15% | 31.61 | 0.67% | 20.45 | 1.44% |
| 11/20/2009 | 29.45 | 1.13% | 34.03 | 2.41% | 19.39 | 0.78% | 31.40 | -0.57% | 20.16 | 1.10% |
| 11/13/2009 | 29.12 | 1.08% | 33.23 | 1.19% | 19.24 | 1.21% | 31.58 | -0.03% | 19.94 | 1.89% |
| 11/6/2009 | 28.81 | 2.56% | 32.84 | 4.85% | 19.01 | 2.26% | 31.59 | 1.28% | 19.57 | 2.19% |
| 10/30/2009 | 28.09 | -2.43% | 31.32 | -6.45% | 18.59 | -6.77% | 31.19 | -4.53% | 19.15 | -2.74% |
| 10/23/2009 | 28.79 | -0.42% | 33.48 | -1.50% | 19.94 | -1.34% | 32.67 | 0.52% | 19.69 | -2.91% |
| 10/16/2009 | 28.91 | -1.06% | 33.99 | 1.95% | 20.21 | 0.30% | 32.50 | 2.07% | 20.28 | 3.47% |
| 10/9/2009 | 29.22 | 3.14% | 33.34 | 5.24% | 20.15 | 4.51% | 31.84 | 0.35% | 19.60 | 2.08% |
| 10/2/2009 | 28.33 | -0.74% | 31.68 | -2.55% | 19.28 | -3.65% | 31.73 | -0.53% | 19.20 | -1.59% |
| 9/25/2009 | 28.54 | -1.35% | 32.51 | -1.57% | 20.01 | -3.80% | 31.90 | -0.41% | 19.51 | -6.20% |
| 9/18/2009 | 28.93 | 2.88% | 33.03 | 1.82% | 20.80 | 3.69% | 32.03 | 3.22% | 20.80 | 2.16% |
| 9/11/2009 | 28.12 | -0.32% | 32.44 | 0.34% | 20.06 | 2.09% | 31.03 | -1.24% | 20.36 | 0.99% |
| 9/4/2009 | 28.21 | -2.69% | 32.33 | -2.68% | 19.65 | 0.10% | 31.42 | -0.51% | 20.16 | -2.37% |
| 8/28/2009 | 28.99 | -0.41% | 33.22 | -0.57% | 19.63 | -0.56% | 31.58 | 0.22% | 20.65 | 0.93% |
| 8/21/2009 | 29.11 | 3.34% | 33.41 | 2.27% | 19.74 | 3.35% | 31.51 | 0.13% | 20.46 | 0.20% |
| 8/14/2009 | 28.17 | 0.00% | 32.67 | 1.24% | 19.10 | 2.85% | 31.47 | -0.13% | 20.42 | 0.64% |
| 8/7/2009 | 28.17 | 1.62% | 32.27 | 0.97% | 18.57 | -2.42% | 31.51 | 0.35% | 20.29 | 3.15% |
| 7/31/2009 | 27.72 | 2.63% | 31.96 | -1.33% | 19.03 | 1.71% | 31.40 | -3.77% | 19.67 | -1.60% |
| 7/24/2009 | 27.01 | 3.88% | 32.39 | 6.34% | 18.71 | -5.27% | 32.63 | 3.65% | 19.99 | 4.33% |
| 7/17/2009 | 26.00 | 4.08% | 30.46 | 3.46% | 19.75 | 3.57% | 31.48 | 2.54% | 19.16 | 5.74% |
| 7/10/2009 | 24.98 | -2.57% | 29.44 | -0.61% | 19.07 | -1.04% | 30.70 | -1.00% | 18.12 | -2.69% |
| 7/3/2009 | 25.64 | -1.38% | 29.62 | -0.77% | 19.27 | -1.73% | 31.01 | -2.79% | 18.62 | 1.03% |
| 6/26/2009 | 26.00 | 2.20% | 29.85 | 2.79% | 19.61 | -1.26% | 31.90 | 4.21% | 18.43 | -0.43% |
| 6/19/2009 | 25.44 | 0.79% | 29.04 | -2.45% | 19.86 | 3.55% | 30.61 | 0.20% | 18.51 | -0.11% |
| 6/12/2009 | 25.24 | 3.10% | 29.77 | 5.12% | 19.18 | 2.18% | 30.55 | 5.67% | 18.53 | 1.98% |
| 6/5/2009 | 24.48 | 5.20% | 28.32 | 2.42% | 18.77 | 4.34% | 28.91 | 1.76% | 18.17 | 1.79% |
| 5/29/2009 | 23.27 | 3.47% | 27.65 | 5.74% | 17.99 | 3.75% | 28.41 | 2.56% | 17.85 | 6.50% |
| 5/22/2009 | 22.49 | 0.54% | 26.15 | 0.19% | 17.34 | 0.93% | 27.70 | -1.49% | 16.76 | -1.18% |
| 5/15/2009 | 22.37 | -6.71% | 26.10 | -7.08% | 17.18 | -7.53% | 28.12 | -2.23% | 16.96 | -6.30% |
| 5/8/2009 | 23.98 | -0.21% | 28.09 | 1.37% | 18.58 | -1.33% | 28.76 | -0.21% | 18.10 | 1.74% |
| 5/1/2009 | 24.03 | 4.39% | 27.71 | 1.32% | 18.83 | 9.92% | 28.82 | -2.17% | 17.79 | 3.61% |
| 4/24/2009 | 23.02 | -2.87% | 27.35 | -1.23% | 17.13 | -1.55% | 29.46 | -0.61% | 17.17 | -3.76% |
| 4/17/2009 | 23.70 | 0.21% | 27.69 | -0.97% | 17.40 | -0.17% | 29.64 | -4.05% | 17.84 | -1.16% |
| 4/10/2009 | 23.65 | -0.55% | 27.96 | 1.19% | 17.43 | -1.02% | 30.89 | -0.61% | 18.05 | 0.45% |
| 4/3/2009 | 23.78 | 0.46% | 27.63 | 4.34% | 17.61 | 2.44% | 31.08 | 1.67% | 17.97 | 2.69% |
| 3/27/2009 | 23.67 | -0.42% | 26.48 | 1.30% | 17.19 | -4.23% | 30.57 | -0.03% | 17.50 | 1.69% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | IDA | | PNW | | POR | | SO | | WR | |
|------------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|
| | Price | Return | Price | Return | Price | Return | Price | Return | Price | Return |
| 3/20/2009 | 23.77 | 7.17% | 26.14 | 7.53% | 17.95 | 6.78% | 30.58 | 12.68% | 17.21 | 8.44% |
| 3/13/2009 | 22.18 | 1.93% | 24.31 | 3.40% | 16.81 | 4.41% | 27.14 | -3.24% | 15.87 | 1.86% |
| 3/6/2009 | 21.76 | -10.60% | 23.51 | -10.47% | 16.10 | -1.95% | 28.05 | -7.46% | 15.58 | -7.81% |
| 2/27/2009 | 24.34 | 0.37% | 26.26 | -8.53% | 16.42 | -1.91% | 30.31 | 0.46% | 16.90 | -1.86% |
| 2/20/2009 | 24.25 | -9.92% | 28.71 | -13.81% | 16.74 | -8.17% | 30.17 | -3.89% | 17.22 | -9.46% |
| 2/13/2009 | 26.92 | -6.66% | 33.31 | -3.64% | 18.23 | -6.99% | 31.39 | -6.55% | 19.02 | -7.85% |
| 2/6/2009 | 28.84 | -0.93% | 34.57 | 3.29% | 19.60 | 0.77% | 33.59 | 0.42% | 20.64 | 2.79% |
| 1/30/2009 | 29.11 | 0.55% | 33.47 | 2.51% | 19.45 | 4.35% | 33.45 | -3.46% | 20.08 | 2.40% |
| 1/23/2009 | 28.95 | -1.90% | 32.65 | 0.00% | 18.64 | -0.69% | 34.65 | -1.08% | 19.61 | -2.05% |
| 1/16/2009 | 29.51 | 0.44% | 32.65 | -0.76% | 18.77 | 0.70% | 35.03 | -1.41% | 20.02 | 1.78% |
| 1/9/2009 | 29.38 | 0.65% | 32.90 | -0.66% | 18.64 | -4.16% | 35.53 | -5.18% | 19.67 | -4.98% |
| 1/2/2009 | 29.19 | 0.79% | 33.12 | 6.70% | 19.45 | 4.74% | 37.47 | 4.17% | 20.70 | 7.25% |
| 12/26/2008 | 28.96 | -2.39% | 31.04 | 3.26% | 18.57 | 2.82% | 35.97 | 0.36% | 19.30 | -0.05% |
| 12/19/2008 | 29.67 | 2.17% | 30.06 | 1.18% | 18.06 | -0.93% | 35.84 | -1.38% | 19.31 | 0.57% |
| 12/12/2008 | 29.04 | -1.56% | 29.71 | -1.20% | 18.23 | -2.88% | 36.34 | -1.49% | 19.20 | -1.13% |
| 12/5/2008 | 29.50 | -2.96% | 30.07 | -1.09% | 18.77 | 2.51% | 36.89 | 1.57% | 19.42 | -4.00% |
| 11/28/2008 | 30.40 | 6.55% | 30.40 | 4.86% | 18.31 | 8.86% | 36.32 | 2.05% | 20.23 | 6.31% |
| 11/21/2008 | 28.53 | -2.39% | 28.99 | -0.82% | 16.82 | -4.59% | 35.59 | 1.08% | 19.03 | -4.99% |
| 11/14/2008 | 29.23 | 3.03% | 29.23 | -3.91% | 17.63 | -6.67% | 35.21 | 1.09% | 20.03 | 2.56% |
| 11/7/2008 | 28.37 | 6.41% | 30.42 | -3.89% | 18.89 | -7.94% | 34.83 | 1.43% | 19.53 | 0.21% |
| 10/31/2008 | 26.66 | 7.07% | 31.65 | 8.13% | 20.52 | 8.74% | 34.34 | -0.78% | 19.49 | 11.95% |
| 10/24/2008 | 24.90 | 0.48% | 29.27 | -4.50% | 18.87 | 1.02% | 34.61 | 3.34% | 17.41 | 0.29% |
| 10/17/2008 | 24.78 | 2.86% | 30.65 | 5.91% | 18.68 | -7.93% | 33.49 | 3.81% | 17.36 | -6.87% |
| 10/10/2008 | 24.09 | -15.06% | 28.94 | -16.53% | 20.29 | -14.57% | 32.26 | -13.16% | 18.64 | -17.52% |
| 10/3/2008 | 28.36 | -7.14% | 34.67 | -2.61% | 23.75 | -2.50% | 37.15 | -3.81% | 22.60 | -5.16% |
| 9/26/2008 | 30.54 | -2.74% | 35.60 | 1.69% | 24.36 | -2.56% | 38.62 | 0.57% | 23.83 | -0.83% |
| 9/19/2008 | 31.40 | 2.58% | 35.01 | -2.51% | 25.00 | -1.85% | 38.40 | 0.68% | 24.03 | 4.25% |
| 9/12/2008 | 30.61 | 3.34% | 35.91 | 4.48% | 25.47 | 4.26% | 38.14 | 2.80% | 23.05 | 5.88% |
| 9/5/2008 | 29.62 | -0.60% | 34.37 | -2.33% | 24.43 | -4.64% | 37.10 | -1.09% | 21.77 | -3.89% |
| 8/29/2008 | 29.80 | -2.30% | 35.19 | -0.40% | 25.62 | 1.26% | 37.51 | -0.74% | 22.65 | -1.61% |
| 8/22/2008 | 30.50 | -1.58% | 35.33 | 1.06% | 25.30 | -0.20% | 37.79 | 0.93% | 23.02 | 0.00% |
| 8/15/2008 | 30.99 | 2.62% | 34.96 | 0.87% | 25.35 | 2.01% | 37.44 | 2.38% | 23.02 | 3.46% |
| 8/8/2008 | 30.20 | 2.86% | 34.66 | 5.22% | 24.85 | 6.52% | 36.57 | 5.72% | 22.25 | 1.51% |
| 8/1/2008 | 29.36 | -1.41% | 32.94 | 5.07% | 23.33 | 1.35% | 34.59 | -1.54% | 21.92 | 1.62% |
| 7/25/2008 | 29.78 | 1.64% | 31.35 | -0.25% | 23.02 | 2.04% | 35.13 | 0.83% | 21.57 | 1.79% |
| 7/18/2008 | 29.30 | -2.14% | 31.43 | -1.84% | 22.56 | -3.26% | 34.84 | -3.20% | 21.19 | -4.72% |
| 7/11/2008 | 29.94 | 5.83% | 32.02 | 4.71% | 23.32 | 4.76% | 35.99 | 1.90% | 22.24 | 3.44% |
| 7/4/2008 | 28.29 | -3.08% | 30.58 | -1.55% | 22.26 | -1.94% | 35.32 | 2.58% | 21.50 | -0.05% |
| 6/27/2008 | 29.19 | -5.96% | 31.06 | -3.30% | 22.70 | -5.38% | 34.43 | -0.17% | 21.51 | -5.28% |
| 6/20/2008 | 31.04 | -2.60% | 32.12 | -1.86% | 23.99 | -0.08% | 34.49 | -1.71% | 22.71 | -3.24% |
| 6/13/2008 | 31.87 | 1.46% | 32.73 | 1.11% | 24.01 | 2.26% | 35.09 | 0.49% | 23.47 | -0.89% |
| 6/6/2008 | 31.41 | 2.45% | 32.37 | -4.17% | 23.48 | 0.30% | 34.92 | -3.54% | 23.68 | -1.33% |
| 5/30/2008 | 30.66 | 0.72% | 33.78 | -0.38% | 23.41 | -0.76% | 36.20 | 0.56% | 24.00 | 2.83% |
| 5/23/2008 | 30.44 | -2.90% | 33.91 | -0.85% | 23.59 | -1.91% | 36.00 | -2.01% | 23.34 | 0.73% |
| 5/16/2008 | 31.35 | 0.32% | 34.20 | 1.39% | 24.05 | 4.20% | 36.74 | 1.24% | 23.17 | -1.49% |
| 5/9/2008 | 31.25 | -5.33% | 33.73 | -2.46% | 23.08 | -5.68% | 36.29 | -2.21% | 23.52 | -1.09% |
| 5/2/2008 | 33.01 | 2.71% | 34.58 | -2.26% | 24.47 | 1.83% | 37.11 | 0.03% | 23.78 | 2.37% |
| 4/25/2008 | 32.14 | -1.05% | 35.38 | -2.32% | 24.03 | -0.70% | 37.10 | 0.41% | 23.23 | -1.48% |
| 4/18/2008 | 32.48 | 3.37% | 36.22 | 0.39% | 24.20 | 4.94% | 36.95 | 1.79% | 23.58 | 2.75% |
| 4/11/2008 | 31.42 | -2.87% | 36.08 | -1.07% | 23.06 | 0.04% | 36.30 | -0.58% | 22.95 | 1.10% |
| 4/4/2008 | 32.35 | 2.70% | 36.47 | 5.01% | 23.05 | 3.60% | 36.51 | 3.22% | 22.70 | 0.53% |
| 3/28/2008 | 31.50 | -3.90% | 34.73 | -3.02% | 22.25 | -2.28% | 35.37 | -2.10% | 22.58 | -3.96% |
| 3/21/2008 | 32.78 | 4.49% | 35.81 | 3.47% | 22.77 | 1.52% | 36.13 | 4.88% | 23.51 | 3.80% |
| 3/14/2008 | 31.37 | 5.69% | 34.61 | -0.37% | 22.43 | -0.75% | 34.45 | 0.47% | 22.65 | 1.80% |
| 3/7/2008 | 29.68 | -0.40% | 34.74 | -2.28% | 22.60 | -3.13% | 34.29 | -0.70% | 22.25 | -2.11% |
| 2/29/2008 | 29.80 | -3.25% | 35.55 | -3.45% | 23.33 | 0.43% | 34.53 | -2.79% | 22.73 | -2.99% |
| 2/22/2008 | 30.80 | -2.10% | 36.82 | 0.49% | 23.23 | -3.25% | 35.52 | -0.73% | 23.43 | -0.89% |
| 2/15/2008 | 31.46 | -0.06% | 36.64 | -1.40% | 24.01 | -0.66% | 35.78 | 0.08% | 23.64 | -2.48% |
| 2/8/2008 | 31.48 | -3.41% | 37.16 | -2.98% | 24.17 | -1.95% | 35.75 | -4.16% | 24.24 | -1.98% |
| 2/1/2008 | 32.59 | 2.61% | 38.30 | -1.06% | 24.65 | 4.76% | 37.30 | 3.35% | 24.73 | 7.10% |
| 1/25/2008 | 31.76 | -2.96% | 38.71 | -3.08% | 23.53 | -5.12% | 36.09 | -4.37% | 23.09 | -1.95% |
| 1/18/2008 | 32.73 | -4.47% | 39.94 | -5.49% | 24.80 | -5.20% | 37.74 | -5.08% | 23.55 | -6.36% |
| 1/11/2008 | 34.26 | 0.74% | 42.26 | 3.10% | 26.16 | -1.06% | 39.76 | 2.71% | 25.15 | 1.09% |
| 1/4/2008 | 34.01 | -4.39% | 40.99 | -3.55% | 26.44 | -3.29% | 38.71 | -1.12% | 24.88 | -5.54% |
| 12/28/2007 | 35.57 | 0.37% | 42.50 | -1.21% | 27.34 | 3.01% | 39.15 | -0.13% | 26.34 | -1.24% |
| 12/21/2007 | 35.44 | 3.53% | 43.02 | 0.77% | 26.54 | -0.79% | 39.20 | 1.84% | 26.67 | 4.42% |
| 12/14/2007 | 34.23 | -5.83% | 42.69 | -3.24% | 26.75 | -3.92% | 38.49 | -1.05% | 25.54 | -2.30% |
| 12/7/2007 | 36.35 | 3.38% | 44.12 | 2.94% | 27.84 | 4.00% | 38.90 | 3.40% | 26.14 | 0.89% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | IDA | | PNW | | POR | | SO | | WR | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return | Price | Return |
| 11/30/2007 | 35.16 | -0.31% | 42.86 | -0.74% | 26.77 | 2.25% | 37.62 | -1.10% | 25.91 | 1.13% |
| 11/23/2007 | 35.27 | 4.13% | 43.18 | 0.65% | 26.18 | -1.76% | 38.04 | 2.76% | 25.62 | 1.59% |
| 11/16/2007 | 33.87 | 1.99% | 42.90 | 2.78% | 26.65 | 0.04% | 37.02 | 3.26% | 25.22 | -2.32% |
| 11/9/2007 | 33.21 | -2.32% | 41.74 | 5.59% | 26.64 | -3.13% | 35.85 | 0.36% | 25.82 | -1.34% |
| 11/2/2007 | 34.00 | 0.50% | 39.53 | -4.03% | 27.50 | -1.15% | 35.72 | -1.33% | 26.17 | 1.28% |
| 10/26/2007 | 33.83 | 3.27% | 41.19 | 1.38% | 27.82 | 3.15% | 36.20 | 2.26% | 25.84 | 4.57% |
| 10/19/2007 | 32.76 | -3.25% | 40.63 | -3.61% | 26.97 | -4.97% | 35.40 | -3.41% | 24.71 | -5.40% |
| 10/12/2007 | 33.86 | -2.48% | 42.15 | 2.53% | 28.38 | -0.11% | 36.65 | -0.22% | 26.12 | 0.23% |
| 10/5/2007 | 34.72 | 6.05% | 41.11 | 4.05% | 28.41 | 2.19% | 36.73 | 1.24% | 26.06 | 6.11% |
| 9/28/2007 | 32.74 | -0.40% | 39.51 | -1.30% | 27.80 | -0.82% | 36.28 | -2.05% | 24.56 | -2.15% |
| 9/21/2007 | 32.87 | 2.94% | 40.03 | 0.23% | 28.03 | 0.54% | 37.04 | 1.76% | 25.10 | 2.87% |
| 9/14/2007 | 31.93 | 0.60% | 39.94 | 0.53% | 27.88 | 4.85% | 36.40 | 3.00% | 24.40 | 1.16% |
| 9/7/2007 | 31.74 | -2.25% | 39.73 | -0.28% | 26.59 | 0.00% | 35.34 | -0.42% | 24.12 | -0.70% |
| 8/31/2007 | 32.47 | -1.19% | 39.84 | -0.38% | 26.59 | -2.42% | 35.49 | -1.74% | 24.29 | -3.61% |
| 8/24/2007 | 32.86 | -4.06% | 39.99 | -2.08% | 27.25 | 1.76% | 36.12 | 0.33% | 25.20 | 0.12% |
| 8/17/2007 | 34.25 | 1.09% | 40.84 | 0.52% | 26.78 | -3.67% | 36.00 | -1.80% | 25.17 | 0.92% |
| 8/10/2007 | 33.88 | 10.36% | 40.63 | 9.51% | 27.80 | 5.18% | 36.66 | 9.04% | 24.94 | 7.73% |
| 8/3/2007 | 30.70 | 0.69% | 37.10 | -3.06% | 26.43 | -1.01% | 33.62 | -0.50% | 23.15 | -1.07% |
| 7/27/2007 | 30.49 | -3.67% | 38.27 | -3.80% | 26.70 | -4.54% | 33.79 | -1.37% | 23.40 | -7.40% |
| 7/20/2007 | 31.65 | -0.06% | 39.78 | -2.19% | 27.97 | -0.46% | 34.26 | -1.75% | 25.27 | 0.84% |
| 7/13/2007 | 31.67 | 0.22% | 40.67 | 1.83% | 28.10 | 0.83% | 34.87 | 2.32% | 25.06 | 2.20% |
| 7/6/2007 | 31.60 | -1.37% | 39.94 | 0.23% | 27.87 | 1.57% | 34.08 | -0.61% | 24.52 | 0.99% |
| 6/29/2007 | 32.04 | 0.44% | 39.85 | -3.37% | 27.44 | 2.12% | 34.29 | 1.00% | 24.28 | 0.08% |
| 6/22/2007 | 31.90 | -2.27% | 41.24 | -6.29% | 26.87 | -2.47% | 33.95 | -4.66% | 24.26 | -5.79% |
| 6/15/2007 | 32.64 | 2.90% | 44.01 | 1.95% | 27.55 | -1.04% | 35.61 | 2.92% | 25.75 | 2.39% |
| 6/8/2007 | 31.72 | -4.86% | 43.17 | -6.76% | 27.84 | -5.56% | 34.60 | -3.54% | 25.15 | -5.88% |
| 6/1/2007 | 33.34 | 5.71% | 46.30 | 1.89% | 29.48 | 1.73% | 35.87 | 1.13% | 26.72 | 1.79% |
| 5/25/2007 | 31.54 | -4.63% | 45.44 | -6.27% | 28.98 | -3.50% | 35.47 | -4.98% | 26.25 | -5.37% |
| 5/18/2007 | 33.07 | -0.45% | 48.48 | -0.55% | 30.03 | 0.43% | 37.33 | 0.95% | 27.74 | -1.35% |
| 5/11/2007 | 33.22 | -4.24% | 48.75 | -0.49% | 29.90 | 1.53% | 36.98 | -1.68% | 28.12 | 0.86% |
| 5/4/2007 | 34.69 | 0.12% | 48.99 | -0.22% | 29.45 | 2.83% | 37.61 | -1.47% | 27.88 | -0.21% |
| 4/27/2007 | 34.65 | 1.67% | 49.10 | -0.51% | 28.64 | -2.35% | 38.17 | -0.03% | 27.94 | -0.18% |
| 4/20/2007 | 34.08 | 1.79% | 49.35 | 0.47% | 29.33 | -1.48% | 38.18 | 1.95% | 27.99 | -0.60% |
| 4/13/2007 | 33.48 | 0.27% | 49.12 | -0.77% | 29.77 | 1.19% | 37.45 | 0.67% | 28.16 | 1.29% |
| 4/6/2007 | 33.39 | -1.33% | 49.50 | 2.59% | 29.42 | 0.75% | 37.20 | 1.50% | 27.80 | 1.02% |
| 3/30/2007 | 33.84 | -0.35% | 48.25 | -0.14% | 29.20 | -2.05% | 36.65 | -0.54% | 27.52 | -0.51% |
| 3/23/2007 | 33.96 | 2.17% | 48.32 | 2.81% | 29.81 | 3.90% | 36.85 | 4.13% | 27.66 | 4.50% |
| 3/16/2007 | 33.24 | 0.39% | 47.00 | 0.38% | 28.69 | -0.28% | 35.39 | 0.40% | 26.47 | 0.65% |
| 3/9/2007 | 33.11 | -2.39% | 46.82 | -1.08% | 28.77 | 0.17% | 35.25 | -0.42% | 26.30 | -1.39% |
| 3/2/2007 | 33.92 | -2.92% | 47.33 | -1.44% | 28.72 | -0.69% | 35.40 | -2.24% | 26.67 | -4.72% |
| 2/23/2007 | 34.94 | -1.85% | 48.02 | -0.27% | 28.92 | 2.15% | 36.21 | -0.58% | 27.99 | 0.94% |
| 2/16/2007 | 35.60 | -5.29% | 48.15 | -0.10% | 28.31 | 2.91% | 36.42 | 0.08% | 27.73 | 1.50% |
| 2/9/2007 | 37.59 | 1.46% | 48.20 | -1.03% | 27.51 | 2.84% | 36.39 | 0.25% | 27.32 | 1.56% |
| 2/2/2007 | 37.05 | 1.09% | 48.70 | -3.74% | 26.75 | 4.09% | 36.30 | -0.25% | 26.90 | 2.75% |
| 1/26/2007 | 36.65 | -1.53% | 50.59 | 0.28% | 25.70 | -2.28% | 36.39 | -0.93% | 26.18 | 1.87% |
| 1/19/2007 | 37.22 | -2.54% | 50.45 | 1.22% | 26.30 | -1.83% | 36.73 | 1.32% | 25.70 | -0.93% |
| 1/12/2007 | 38.19 | 0.45% | 49.84 | -1.23% | 26.79 | -0.67% | 36.25 | -0.52% | 25.94 | 0.70% |
| 1/5/2007 | 38.02 | -1.63% | 50.46 | -0.45% | 26.97 | -1.03% | 36.44 | -1.14% | 25.76 | -0.77% |
| 12/29/2006 | 38.65 | -0.41% | 50.69 | 0.82% | 27.25 | -0.07% | 36.86 | -0.05% | 25.96 | -1.48% |
| 12/22/2006 | 38.81 | -0.89% | 50.28 | -0.04% | 27.27 | -0.26% | 36.88 | -0.24% | 26.35 | -1.42% |
| 12/15/2006 | 39.16 | 1.06% | 50.30 | 2.53% | 27.34 | 0.81% | 36.97 | 1.40% | 26.73 | 1.37% |
| 12/8/2006 | 38.75 | -1.87% | 49.06 | -0.67% | 27.12 | -1.63% | 36.46 | 0.33% | 26.37 | -1.09% |
| 12/1/2006 | 39.49 | -0.90% | 49.39 | 3.02% | 27.57 | -2.10% | 36.34 | 0.55% | 26.66 | 0.26% |
| 11/24/2006 | 39.85 | 0.81% | 47.94 | -0.33% | 28.16 | 0.97% | 36.14 | -0.11% | 26.59 | 1.72% |
| 11/17/2006 | 39.53 | 0.84% | 48.10 | 0.63% | 27.89 | 2.61% | 36.18 | 0.30% | 26.14 | 1.63% |
| 11/10/2006 | 39.20 | 2.86% | 47.80 | 0.50% | 27.18 | 5.84% | 36.07 | 0.84% | 25.72 | 3.63% |
| 11/3/2006 | 38.11 | -3.76% | 47.56 | -1.08% | 25.68 | -0.08% | 35.77 | -0.72% | 24.82 | -0.88% |
| 10/27/2006 | 39.60 | -0.18% | 48.08 | 0.38% | 25.70 | -0.85% | 36.03 | 0.70% | 25.04 | 0.60% |
| 10/20/2006 | 39.67 | 2.08% | 47.90 | 4.43% | 25.92 | -0.27% | 35.78 | 1.97% | 24.89 | 4.23% |
| 10/13/2006 | 38.86 | 0.70% | 45.87 | -0.07% | 25.99 | 3.42% | 35.09 | 0.92% | 23.88 | 2.05% |
| 10/6/2006 | 38.59 | 2.06% | 45.90 | 1.89% | 25.13 | 2.95% | 34.77 | 0.90% | 23.40 | -0.47% |
| 9/29/2006 | 37.81 | -0.40% | 45.05 | 0.72% | 24.41 | -2.71% | 34.46 | 0.55% | 23.51 | 1.64% |
| 9/22/2006 | 37.96 | -0.89% | 44.73 | 0.00% | 25.09 | 0.36% | 34.27 | -0.87% | 23.13 | -1.95% |
| 9/15/2006 | 38.30 | 1.32% | 44.73 | -0.36% | 25.00 | -0.08% | 34.57 | 1.53% | 23.59 | 1.03% |
| 9/8/2006 | 37.80 | -1.20% | 44.89 | -1.77% | 25.02 | -1.96% | 34.05 | -0.50% | 23.35 | -4.73% |
| 9/1/2006 | 38.26 | 2.16% | 45.70 | 0.88% | 25.52 | 3.61% | 34.22 | 2.03% | 24.51 | 2.17% |
| 8/25/2006 | 37.45 | -1.29% | 45.30 | 0.98% | 24.63 | -2.88% | 33.54 | -0.45% | 23.99 | 0.00% |
| 8/18/2006 | 37.94 | 3.27% | 44.86 | 2.82% | 25.36 | -1.86% | 33.69 | 0.87% | 23.99 | 1.91% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | IDA | | PNW | | POR | | SO | | WR | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return | Price | Return |
| 8/11/2006 | 36.74 | 0.00% | 43.63 | -0.02% | 25.84 | -0.19% | 33.40 | -1.04% | 23.54 | 0.09% |
| 8/4/2006 | 36.74 | -0.84% | 43.64 | 0.81% | 25.89 | 0.54% | 33.75 | -0.24% | 23.52 | 0.64% |
| 7/28/2006 | 37.05 | 2.69% | 43.29 | 2.53% | 25.75 | 2.18% | 33.83 | 0.89% | 23.37 | 2.91% |
| 7/21/2006 | 36.08 | 3.56% | 42.22 | 3.68% | 25.20 | 0.84% | 33.53 | 3.11% | 22.71 | 1.98% |
| 7/14/2006 | 34.84 | 0.75% | 40.72 | -0.71% | 24.99 | 2.25% | 32.52 | -0.28% | 22.27 | 1.00% |
| 7/7/2006 | 34.58 | 0.85% | 41.01 | 2.76% | 24.44 | -2.12% | 32.61 | 1.75% | 22.05 | 4.75% |
| 6/30/2006 | 34.29 | 2.73% | 39.91 | 2.10% | 24.97 | -5.06% | 32.05 | 0.03% | 21.05 | -3.35% |
| 6/23/2006 | 33.38 | -1.53% | 39.09 | -1.73% | 26.30 | -0.23% | 32.04 | -1.45% | 21.78 | 0.18% |
| 6/16/2006 | 33.90 | -1.60% | 39.78 | -0.92% | 26.36 | -3.09% | 32.51 | -0.37% | 21.74 | 0.28% |
| 6/9/2006 | 34.45 | -0.46% | 40.15 | -0.37% | 27.20 | -2.82% | 32.63 | 0.03% | 21.68 | -0.82% |
| 6/2/2006 | 34.61 | 2.82% | 40.30 | 3.07% | 27.99 | 0.43% | 32.62 | 0.87% | 21.86 | 3.90% |
| 5/26/2006 | 33.66 | 1.97% | 39.10 | -0.41% | 27.87 | -4.06% | 32.34 | 3.69% | 21.04 | 1.15% |
| 5/19/2006 | 33.01 | -1.46% | 39.26 | -0.20% | 29.05 | -3.01% | 31.19 | 0.16% | 20.80 | -1.00% |
| 5/12/2006 | 33.50 | -4.20% | 39.34 | -2.65% | 29.95 | 0.00% | 31.14 | -2.75% | 21.01 | -0.66% |
| 5/5/2006 | 34.97 | 2.70% | 40.41 | 0.77% | 29.95 | -2.06% | 32.02 | -0.65% | 21.15 | 1.00% |
| 4/28/2006 | 34.05 | 1.85% | 40.10 | -0.40% | 30.58 | 7.64% | 32.23 | 0.75% | 20.94 | -0.99% |
| 4/21/2006 | 33.43 | 2.61% | 40.26 | 2.47% | 28.41 | 6.84% | 31.99 | 1.72% | 21.15 | 2.27% |
| 4/14/2006 | 32.58 | 0.46% | 39.29 | -0.88% | 26.59 | -9.71% | 31.45 | -1.60% | 20.68 | -1.52% |
| 4/7/2006 | 32.43 | -0.28% | 39.64 | 1.38% | 29.45 | -2.64% | 31.96 | -2.47% | 21.00 | 0.91% |
| 3/31/2006 | 32.52 | 1.31% | 39.10 | -2.01% | 30.25 | | 32.77 | -0.91% | 20.81 | -1.14% |
| 3/24/2006 | 32.10 | -0.86% | 39.90 | -0.50% | | | 33.07 | -2.16% | 21.05 | 0.86% |
| 3/17/2006 | 32.38 | 2.21% | 40.10 | 1.16% | | | 33.80 | 1.59% | 20.87 | -1.83% |
| 3/10/2006 | 31.68 | -0.03% | 39.64 | -0.83% | | | 33.27 | -1.63% | 21.26 | -1.94% |
| 3/3/2006 | 31.69 | -3.03% | 39.97 | -2.96% | | | 33.82 | -0.91% | 21.68 | -0.41% |
| 2/24/2006 | 32.68 | 0.55% | 41.19 | -1.25% | | | 34.13 | 0.80% | 21.77 | 4.66% |
| 2/17/2006 | 32.50 | 3.97% | 41.71 | -0.10% | | | 33.86 | 1.29% | 20.80 | 2.21% |
| 2/10/2006 | 31.26 | 1.13% | 41.75 | 1.21% | | | 33.43 | 0.03% | 20.35 | 0.94% |
| 2/3/2006 | 30.91 | -3.74% | 41.25 | -5.17% | | | 33.42 | -5.25% | 20.16 | -1.80% |
| 1/27/2006 | 32.11 | 1.71% | 43.50 | 1.12% | | | 35.27 | 0.63% | 20.53 | -2.79% |
| 1/20/2006 | 31.57 | 0.51% | 43.02 | 3.12% | | | 35.05 | 0.37% | 21.12 | -0.47% |
| 1/13/2006 | 31.41 | 4.04% | 41.72 | -2.57% | | | 34.92 | -0.51% | 21.22 | -0.33% |
| 1/6/2006 | 30.19 | 3.04% | 42.82 | 3.56% | | | 35.10 | 1.65% | 21.29 | -0.98% |
| 12/30/2005 | 29.30 | -1.38% | 41.35 | -2.84% | | | 34.53 | -1.74% | 21.50 | -2.93% |
| 12/23/2005 | 29.71 | 1.36% | 42.56 | -1.41% | | | 35.14 | -0.68% | 22.15 | -0.72% |
| 12/16/2005 | 29.31 | 0.38% | 43.17 | 2.11% | | | 35.38 | 0.48% | 22.31 | -2.75% |
| 12/9/2005 | 29.20 | 0.45% | 42.28 | 1.66% | | | 35.21 | 0.49% | 22.94 | -0.35% |
| 12/2/2005 | 29.07 | 0.83% | 41.59 | -0.67% | | | 35.04 | 0.34% | 23.02 | 0.00% |
| 11/25/2005 | 28.83 | 0.17% | 41.87 | 0.05% | | | 34.92 | 0.37% | 23.02 | 3.55% |
| 11/18/2005 | 28.78 | 0.81% | 41.85 | 1.90% | | | 34.79 | 0.99% | 22.23 | 1.46% |
| 11/11/2005 | 28.55 | -1.28% | 41.07 | 0.71% | | | 34.45 | -0.17% | 21.91 | 0.37% |
| 11/4/2005 | 28.92 | 1.37% | 40.78 | -0.20% | | | 34.51 | 0.44% | 21.83 | -0.91% |
| 10/28/2005 | 28.53 | 1.39% | 40.86 | 1.39% | | | 34.36 | 1.54% | 22.03 | 2.23% |
| 10/21/2005 | 28.14 | -1.23% | 40.30 | -1.01% | | | 33.84 | 1.62% | 21.55 | -2.00% |
| 10/14/2005 | 28.49 | -2.73% | 40.71 | -5.35% | | | 33.30 | -4.58% | 21.99 | -4.35% |
| 10/7/2005 | 29.29 | -2.79% | 43.01 | -2.43% | | | 34.90 | -2.40% | 22.99 | -4.72% |
| 9/30/2005 | 30.13 | 0.67% | 44.08 | 0.14% | | | 35.76 | 0.06% | 24.13 | 1.86% |
| 9/23/2005 | 29.93 | -4.38% | 44.02 | -3.63% | | | 35.74 | -1.16% | 23.69 | -3.86% |
| 9/16/2005 | 31.30 | -0.13% | 45.68 | -0.59% | | | 36.16 | 1.89% | 24.64 | 0.33% |
| 9/9/2005 | 31.34 | 1.56% | 45.95 | 1.32% | | | 35.49 | 1.20% | 24.56 | 0.45% |
| 9/2/2005 | 30.86 | 3.73% | 45.35 | 1.09% | | | 35.07 | 3.39% | 24.45 | 3.47% |
| 8/26/2005 | 29.75 | 1.43% | 44.86 | 0.83% | | | 33.92 | 0.68% | 23.63 | 0.34% |
| 8/19/2005 | 29.33 | 0.03% | 44.49 | 0.02% | | | 33.69 | -1.46% | 23.55 | 0.86% |
| 8/12/2005 | 29.32 | -1.61% | 44.48 | -1.59% | | | 34.19 | -0.09% | 23.35 | -2.38% |
| 8/5/2005 | 29.80 | -5.25% | 45.20 | -1.31% | | | 34.22 | -2.20% | 23.92 | -1.69% |
| 7/29/2005 | 31.45 | 0.06% | 45.80 | 0.55% | | | 34.99 | -0.99% | 24.33 | 0.33% |
| 7/22/2005 | 31.43 | 0.42% | 45.55 | 1.61% | | | 35.34 | -0.65% | 24.25 | 1.93% |
| 7/15/2005 | 31.30 | -0.48% | 44.83 | -0.20% | | | 35.57 | -0.11% | 23.79 | -0.96% |
| 7/8/2005 | 31.45 | 1.00% | 44.92 | 0.13% | | | 35.61 | 1.51% | 24.02 | -1.15% |
| 7/1/2005 | 31.14 | 3.80% | 44.86 | 1.24% | | | 35.08 | 2.51% | 24.30 | 4.70% |
| 6/24/2005 | 30.00 | 0.27% | 44.31 | -0.81% | | | 34.22 | -0.12% | 23.21 | -2.44% |
| 6/17/2005 | 29.92 | 1.42% | 44.67 | 0.22% | | | 34.26 | -0.55% | 23.79 | 2.23% |
| 6/10/2005 | 29.50 | 2.40% | 44.57 | 0.04% | | | 34.45 | 0.06% | 23.27 | -0.34% |
| 6/3/2005 | 28.81 | 1.62% | 44.55 | 1.55% | | | 34.43 | 0.85% | 23.35 | 1.39% |
| 5/27/2005 | 28.35 | 2.13% | 43.87 | 0.73% | | | 34.14 | -0.52% | 23.03 | 1.68% |
| 5/20/2005 | 27.76 | 4.17% | 43.55 | 3.72% | | | 34.32 | 1.90% | 22.65 | 3.71% |
| 5/13/2005 | 26.65 | -0.56% | 41.99 | -1.20% | | | 33.68 | 1.45% | 21.84 | -5.45% |
| 5/6/2005 | 26.80 | -0.67% | 42.50 | 1.43% | | | 33.20 | 0.76% | 23.10 | 0.87% |
| 4/29/2005 | 26.98 | 0.22% | 41.90 | -1.60% | | | 32.95 | -0.15% | 22.90 | 0.00% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | IDA | | PNW | | POR | | SO | | WR | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return | Price | Return |
| 4/22/2005 | 26.92 | 0.45% | 42.58 | -0.05% | | | 33.00 | 3.29% | 22.90 | 4.28% |
| 4/15/2005 | 26.80 | -4.63% | 42.60 | -1.41% | | | 31.95 | 0.00% | 21.96 | -0.27% |
| 4/8/2005 | 28.10 | -0.14% | 43.21 | 1.60% | | | 31.95 | 0.00% | 22.02 | 2.13% |
| 4/1/2005 | 28.14 | 0.86% | 42.53 | 0.95% | | | 31.95 | 0.76% | 21.56 | -0.60% |
| 3/25/2005 | 27.90 | -1.59% | 42.13 | -0.43% | | | 31.71 | -1.18% | 21.69 | -2.56% |
| 3/18/2005 | 28.35 | -0.87% | 42.31 | 0.09% | | | 32.09 | 0.91% | 22.26 | -2.15% |
| 3/11/2005 | 28.60 | -1.41% | 42.27 | -1.49% | | | 31.80 | -2.45% | 22.75 | -1.13% |
| 3/4/2005 | 29.01 | 0.38% | 42.91 | 2.17% | | | 32.60 | 0.40% | 23.01 | -0.60% |
| 2/25/2005 | 28.90 | -0.65% | 42.00 | -0.02% | | | 32.47 | 0.00% | 23.15 | -0.98% |
| 2/18/2005 | 29.09 | -2.22% | 42.01 | 0.26% | | | 32.47 | -2.14% | 23.38 | -0.51% |
| 2/11/2005 | 29.75 | -1.65% | 41.90 | 0.02% | | | 33.18 | -1.72% | 23.50 | -0.21% |
| 2/4/2005 | 30.25 | 1.71% | 41.89 | -0.26% | | | 33.76 | 0.78% | 23.55 | 3.06% |
| 1/28/2005 | 29.74 | -0.20% | 42.00 | -0.33% | | | 33.50 | 1.85% | 22.85 | 1.56% |
| 1/21/2005 | 29.80 | -0.60% | 42.14 | -1.08% | | | 32.89 | -0.15% | 22.50 | 0.67% |
| 1/14/2005 | 29.98 | 2.01% | 42.60 | -0.95% | | | 32.94 | 0.49% | 22.35 | 0.90% |
| 1/7/2005 | 29.39 | -3.86% | 43.01 | -3.15% | | | 32.78 | -2.21% | 22.15 | -3.15% |
| 12/31/2004 | 30.57 | 0.43% | 44.41 | -0.05% | | | 33.52 | -0.74% | 22.87 | 0.84% |
| 12/24/2004 | 30.44 | -3.06% | 44.43 | 0.93% | | | 33.77 | 2.33% | 22.68 | 1.25% |
| 12/17/2004 | 31.40 | 3.97% | 44.02 | 1.83% | | | 33.00 | 0.92% | 22.40 | 1.22% |
| 12/10/2004 | 30.20 | -5.24% | 43.23 | -1.12% | | | 32.70 | 0.28% | 22.13 | -0.98% |
| 12/3/2004 | 31.87 | -2.84% | 43.72 | -3.72% | | | 32.61 | -3.52% | 22.35 | -0.09% |
| 11/26/2004 | 32.80 | 2.50% | 45.41 | 2.62% | | | 33.80 | 3.05% | 22.37 | -0.58% |
| 11/19/2004 | 32.00 | -1.78% | 44.25 | -1.97% | | | 32.80 | -1.09% | 22.50 | 0.45% |
| 11/12/2004 | 32.58 | 1.18% | 45.14 | 2.68% | | | 33.16 | 2.25% | 22.40 | 4.92% |
| 11/5/2004 | 32.20 | 3.94% | 43.96 | 3.14% | | | 32.43 | 2.66% | 21.35 | 1.91% |
| 10/29/2004 | 30.98 | 2.58% | 42.62 | 1.12% | | | 31.59 | -0.03% | 20.95 | 3.15% |
| 10/22/2004 | 30.20 | -1.44% | 42.15 | -0.92% | | | 31.60 | 4.32% | 20.31 | -1.07% |
| 10/15/2004 | 30.64 | 0.79% | 42.54 | 0.42% | | | 30.29 | -1.05% | 20.53 | -0.87% |
| 10/8/2004 | 30.40 | 2.29% | 42.36 | 1.07% | | | 30.61 | 1.22% | 20.71 | 1.57% |
| 10/1/2004 | 29.72 | 2.84% | 41.91 | 1.40% | | | 30.24 | 1.31% | 20.39 | 0.89% |
| 9/24/2004 | 28.90 | -2.40% | 41.33 | -1.10% | | | 29.85 | -1.91% | 20.21 | -2.13% |
| 9/17/2004 | 29.61 | 0.92% | 41.79 | -0.38% | | | 30.43 | 0.26% | 20.65 | -0.72% |
| 9/10/2004 | 29.34 | 1.49% | 41.95 | 0.19% | | | 30.35 | -0.43% | 20.80 | -0.91% |
| 9/3/2004 | 28.91 | 0.59% | 41.87 | 0.84% | | | 30.48 | 1.57% | 20.99 | 1.06% |
| 8/27/2004 | 28.74 | 0.70% | 41.52 | 0.31% | | | 30.01 | 1.18% | 20.77 | 0.92% |
| 8/20/2004 | 28.54 | 3.03% | 41.39 | -1.90% | | | 29.66 | -0.57% | 20.58 | 1.38% |
| 8/13/2004 | 27.70 | 0.22% | 42.19 | 2.78% | | | 29.83 | -0.07% | 20.30 | -0.10% |
| 8/6/2004 | 27.64 | 0.51% | 41.05 | 1.36% | | | 29.85 | 1.95% | 20.32 | 0.74% |
| 7/30/2004 | 27.50 | -0.36% | 40.50 | 1.02% | | | 29.28 | -0.34% | 20.17 | 0.85% |
| 7/23/2004 | 27.60 | 1.36% | 40.09 | -1.52% | | | 29.38 | -0.41% | 20.00 | -3.38% |
| 7/16/2004 | 27.23 | 2.68% | 40.71 | 0.20% | | | 29.50 | 1.90% | 20.70 | 5.08% |
| 7/9/2004 | 26.52 | 0.15% | 40.63 | 0.10% | | | 28.95 | -0.28% | 19.70 | -0.20% |
| 7/2/2004 | 26.48 | -1.74% | 40.59 | 0.05% | | | 29.03 | -0.07% | 19.74 | 0.87% |
| 6/25/2004 | 26.95 | 4.30% | 40.57 | -0.86% | | | 29.05 | 0.31% | 19.57 | 0.98% |
| 6/18/2004 | 25.84 | -0.39% | 40.92 | 1.66% | | | 28.96 | 0.28% | 19.38 | 0.47% |
| 6/11/2004 | 25.94 | 0.86% | 40.25 | 1.26% | | | 28.88 | -0.89% | 19.29 | -0.21% |
| 6/4/2004 | 25.72 | -1.08% | 39.75 | -1.34% | | | 29.14 | 0.76% | 19.33 | -1.98% |
| 5/28/2004 | 26.00 | -2.07% | 40.29 | 5.61% | | | 28.92 | 2.92% | 19.72 | 6.59% |
| 5/21/2004 | 26.55 | -1.30% | 38.15 | 0.93% | | | 28.10 | -0.53% | 18.50 | -2.12% |
| 5/14/2004 | 26.90 | -3.86% | 37.80 | -0.53% | | | 28.25 | 0.46% | 18.90 | -4.64% |
| 5/7/2004 | 27.98 | -5.63% | 38.00 | -2.71% | | | 28.12 | -2.23% | 19.82 | -2.89% |
| 4/30/2004 | 29.65 | 0.47% | 39.06 | -2.25% | | | 28.76 | -1.61% | 20.41 | -1.73% |
| 4/23/2004 | 29.51 | 2.15% | 39.96 | 1.32% | | | 29.23 | -1.08% | 20.77 | 0.58% |
| 4/16/2004 | 28.89 | -1.73% | 39.44 | 0.31% | | | 29.55 | -0.74% | 20.65 | -1.90% |
| 4/9/2004 | 29.40 | -2.00% | 39.32 | -0.33% | | | 29.77 | -1.94% | 21.05 | 0.00% |
| 4/2/2004 | 30.00 | 1.18% | 39.45 | 3.57% | | | 30.36 | -0.10% | 21.05 | 0.91% |
| 3/26/2004 | 29.65 | -2.66% | 38.09 | -1.86% | | | 30.39 | 0.76% | 20.86 | 1.71% |
| 3/19/2004 | 30.46 | -0.36% | 38.81 | 1.09% | | | 30.16 | 0.03% | 20.51 | 1.69% |
| 3/12/2004 | 30.57 | -2.58% | 38.39 | -3.03% | | | 30.15 | -1.57% | 20.17 | 0.60% |
| 3/5/2004 | 31.38 | 0.42% | 39.59 | 1.28% | | | 30.63 | 1.02% | 20.05 | 4.16% |
| 2/27/2004 | 31.25 | 1.49% | 39.09 | 3.11% | | | 30.32 | 1.64% | 19.25 | 3.00% |
| 2/20/2004 | 30.79 | -2.56% | 37.91 | 0.96% | | | 29.83 | 1.12% | 18.69 | -1.37% |
| 2/13/2004 | 31.60 | 1.64% | 37.55 | 0.43% | | | 29.50 | 0.89% | 18.95 | 1.28% |
| 2/6/2004 | 31.09 | 0.94% | 37.39 | -4.74% | | | 29.24 | -1.88% | 18.71 | -4.44% |
| 1/30/2004 | 30.80 | -2.41% | 39.25 | 1.19% | | | 29.80 | -1.46% | 19.58 | -2.05% |
| 1/23/2004 | 31.56 | 0.83% | 38.79 | -0.64% | | | 30.24 | 2.75% | 19.99 | 0.86% |
| 1/16/2004 | 31.30 | 3.10% | 39.04 | -0.48% | | | 29.43 | -1.41% | 19.82 | -1.34% |
| 1/9/2004 | 30.36 | 1.78% | 39.23 | -2.63% | | | 29.85 | -0.70% | 20.09 | -1.03% |

EIGHTEEN-MONTH BETA CALCULATION

| Date | IDA | | PNW | | POR | | SO | | WR | |
|------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | Price | Return | Price | Return | Price | Return | Price | Return | Price | Return |
| 1/2/2004 | 29.83 | 0.44% | 40.29 | 3.04% | | | 30.06 | 0.23% | 20.30 | 0.25% |
| 12/26/2003 | 29.70 | -0.37% | 39.10 | 0.46% | | | 29.99 | 0.23% | 20.25 | 0.85% |
| 12/19/2003 | 29.81 | 0.24% | 38.92 | -0.21% | | | 29.92 | 0.91% | 20.08 | 0.50% |
| 12/12/2003 | 29.74 | 0.95% | 39.00 | 0.15% | | | 29.65 | -0.40% | 19.98 | 2.51% |
| 12/5/2003 | 29.46 | 0.20% | 38.94 | -1.09% | | | 29.77 | 1.71% | 19.49 | -1.86% |
| 11/28/2003 | 29.40 | 4.74% | 39.37 | 3.41% | | | 29.27 | 2.16% | 19.86 | 0.81% |
| 11/21/2003 | 28.07 | -2.30% | 38.07 | -0.08% | | | 28.65 | -2.25% | 19.70 | -1.65% |
| 11/14/2003 | 28.73 | 2.02% | 38.10 | 4.50% | | | 29.31 | -0.24% | 20.03 | -1.57% |
| 11/7/2003 | 28.16 | 3.72% | 36.46 | -0.27% | | | 29.38 | -1.41% | 20.35 | 1.85% |
| 10/31/2003 | 27.15 | 2.92% | 36.56 | 1.16% | | | 29.80 | -1.72% | 19.98 | 1.68% |
| 10/24/2003 | 26.38 | -1.68% | 36.14 | 2.18% | | | 30.32 | 3.30% | 19.65 | 0.98% |
| 10/17/2003 | 26.83 | 0.22% | 35.37 | -0.37% | | | 29.35 | -0.84% | 19.46 | 2.53% |
| 10/10/2003 | 26.77 | 2.76% | 35.50 | -2.42% | | | 29.60 | 0.30% | 18.98 | 1.66% |
| 10/3/2003 | 26.05 | 3.50% | 36.38 | 3.50% | | | 29.51 | 0.37% | 18.67 | 2.87% |
| 9/26/2003 | 25.17 | -1.95% | 35.15 | -3.88% | | | 29.40 | 0.48% | 18.15 | -1.09% |
| 9/19/2003 | 25.67 | 4.14% | 36.57 | 1.13% | | | 29.26 | 0.41% | 18.35 | 1.44% |
| 9/12/2003 | 24.65 | 1.69% | 36.16 | 1.72% | | | 29.14 | 0.59% | 18.09 | 0.50% |
| 9/5/2003 | 24.24 | 0.00% | 35.55 | 3.64% | | | 28.97 | 2.08% | 18.00 | 2.45% |
| 8/29/2003 | 24.24 | 0.96% | 34.30 | 2.02% | | | 28.38 | 1.79% | 17.57 | 0.92% |
| 8/22/2003 | 24.01 | -0.33% | 33.62 | -0.83% | | | 27.88 | -0.89% | 17.41 | -1.08% |
| 8/15/2003 | 24.09 | 0.92% | 33.90 | 1.59% | | | 28.13 | -0.64% | 17.60 | 4.82% |
| 8/8/2003 | 23.87 | -8.40% | 33.37 | -2.03% | | | 28.31 | 0.64% | 16.79 | 1.94% |
| 8/1/2003 | 26.06 | -3.12% | 34.06 | -7.07% | | | 28.13 | -2.83% | 16.47 | 0.37% |
| 7/25/2003 | 26.90 | 1.86% | 36.65 | 0.03% | | | 28.95 | -0.41% | 16.41 | 3.99% |
| 7/18/2003 | 26.41 | 1.81% | 36.64 | -0.89% | | | 29.07 | -0.78% | 15.78 | -2.77% |
| 7/11/2003 | 25.94 | | 36.97 | | | | 29.30 | | 16.23 | |

EIGHTEEN-MONTH BETA CALCULATION

| Date | Proxy Group Return | Covar. | Price | S&P 500 Return | Variance | Raw Beta | Adjusted Beta |
|------------|-----------------------|--------|----------|-------------------|----------|-------------|------------------|
| 10/28/2011 | 0.74% | 0.045% | 1,285.09 | 3.78% | 0.073% | 0.615 | 0.743 |
| 10/21/2011 | 2.37% | 0.045% | 1,238.25 | 1.12% | 0.073% | 0.623 | 0.749 |
| 10/14/2011 | 2.70% | 0.046% | 1,224.58 | 5.98% | 0.073% | 0.625 | 0.750 |
| 10/7/2011 | 0.21% | 0.044% | 1,155.46 | 2.12% | 0.068% | 0.639 | 0.759 |
| 9/30/2011 | -0.10% | 0.044% | 1,131.42 | -0.44% | 0.068% | 0.642 | 0.761 |
| 9/23/2011 | -1.81% | 0.044% | 1,136.43 | -6.54% | 0.068% | 0.644 | 0.763 |
| 9/16/2011 | 5.50% | 0.042% | 1,216.01 | 5.35% | 0.063% | 0.672 | 0.781 |
| 9/9/2011 | -1.77% | 0.039% | 1,154.23 | -1.68% | 0.059% | 0.653 | 0.768 |
| 9/2/2011 | 0.35% | 0.038% | 1,173.97 | -0.24% | 0.059% | 0.650 | 0.767 |
| 8/26/2011 | 2.86% | 0.039% | 1,176.80 | 4.74% | 0.060% | 0.656 | 0.771 |
| 8/19/2011 | 0.89% | 0.038% | 1,123.53 | -4.69% | 0.057% | 0.663 | 0.775 |
| 8/12/2011 | 0.03% | 0.040% | 1,178.81 | -1.72% | 0.056% | 0.714 | 0.810 |
| 8/5/2011 | -5.11% | 0.040% | 1,199.38 | -7.19% | 0.055% | 0.719 | 0.813 |
| 7/29/2011 | -3.32% | 0.035% | 1,292.28 | -3.92% | 0.048% | 0.724 | 0.816 |
| 7/22/2011 | 1.04% | 0.033% | 1,345.02 | 2.19% | 0.046% | 0.721 | 0.814 |
| 7/15/2011 | -1.54% | 0.035% | 1,316.14 | -2.06% | 0.048% | 0.724 | 0.816 |
| 7/8/2011 | 0.08% | 0.034% | 1,343.80 | 0.31% | 0.048% | 0.719 | 0.813 |
| 7/1/2011 | 3.11% | 0.034% | 1,339.67 | 5.61% | 0.048% | 0.706 | 0.804 |
| 6/24/2011 | -0.77% | 0.032% | 1,268.45 | -0.24% | 0.045% | 0.723 | 0.816 |
| 6/17/2011 | 1.60% | 0.032% | 1,271.50 | 0.04% | 0.045% | 0.717 | 0.812 |
| 6/10/2011 | -1.25% | 0.033% | 1,270.98 | -2.24% | 0.045% | 0.717 | 0.812 |
| 6/3/2011 | -1.66% | 0.032% | 1,300.16 | -2.32% | 0.045% | 0.718 | 0.812 |
| 5/27/2011 | -1.15% | 0.032% | 1,331.10 | -0.16% | 0.044% | 0.724 | 0.816 |
| 5/20/2011 | -0.26% | 0.032% | 1,333.27 | -0.34% | 0.044% | 0.722 | 0.815 |
| 5/13/2011 | 1.93% | 0.032% | 1,337.77 | -0.18% | 0.044% | 0.721 | 0.814 |
| 5/6/2011 | 0.44% | 0.032% | 1,340.20 | -1.72% | 0.044% | 0.722 | 0.815 |
| 4/29/2011 | 2.44% | 0.033% | 1,363.61 | 1.96% | 0.045% | 0.731 | 0.821 |
| 4/22/2011 | 0.17% | 0.034% | 1,337.38 | 1.34% | 0.047% | 0.735 | 0.823 |
| 4/15/2011 | -0.75% | 0.035% | 1,319.68 | -0.64% | 0.047% | 0.740 | 0.827 |
| 4/8/2011 | -0.16% | 0.035% | 1,328.17 | -0.32% | 0.047% | 0.737 | 0.825 |
| 4/1/2011 | 3.05% | 0.036% | 1,332.41 | 1.42% | 0.049% | 0.735 | 0.823 |
| 3/25/2011 | 2.04% | 0.036% | 1,313.80 | 2.70% | 0.050% | 0.731 | 0.821 |
| 3/18/2011 | -2.84% | 0.036% | 1,279.20 | -1.92% | 0.050% | 0.735 | 0.823 |
| 3/11/2011 | 0.44% | 0.036% | 1,304.28 | -1.28% | 0.050% | 0.734 | 0.823 |
| 3/4/2011 | 1.22% | 0.036% | 1,321.15 | 0.10% | 0.050% | 0.730 | 0.820 |
| 2/25/2011 | -0.74% | 0.037% | 1,319.88 | -1.72% | 0.050% | 0.735 | 0.823 |
| 2/18/2011 | -0.39% | 0.037% | 1,343.01 | 1.04% | 0.050% | 0.738 | 0.825 |
| 2/11/2011 | 1.28% | 0.037% | 1,329.15 | 1.39% | 0.050% | 0.739 | 0.826 |
| 2/4/2011 | 0.02% | 0.037% | 1,310.87 | 2.71% | 0.050% | 0.735 | 0.824 |
| 1/28/2011 | -0.35% | 0.037% | 1,276.34 | -0.55% | 0.050% | 0.747 | 0.832 |
| 1/21/2011 | 0.20% | 0.037% | 1,283.35 | -0.76% | 0.050% | 0.747 | 0.831 |
| 1/14/2011 | 0.63% | 0.038% | 1,293.24 | 1.71% | 0.051% | 0.744 | 0.829 |
| 1/7/2011 | 1.35% | 0.041% | 1,271.50 | 1.10% | 0.057% | 0.719 | 0.813 |
| 12/31/2010 | -0.51% | 0.041% | 1,257.64 | 0.07% | 0.057% | 0.722 | 0.814 |
| 12/24/2010 | 0.18% | 0.042% | 1,256.77 | 1.03% | 0.058% | 0.713 | 0.809 |
| 12/17/2010 | 1.05% | 0.042% | 1,243.91 | 0.28% | 0.058% | 0.713 | 0.809 |
| 12/10/2010 | -0.44% | 0.042% | 1,240.40 | 1.28% | 0.060% | 0.703 | 0.802 |
| 12/3/2010 | 1.19% | 0.042% | 1,224.71 | 2.97% | 0.059% | 0.708 | 0.805 |
| 11/26/2010 | 0.28% | 0.043% | 1,189.40 | -0.86% | 0.059% | 0.722 | 0.814 |
| 11/19/2010 | -0.44% | 0.044% | 1,199.73 | 0.04% | 0.060% | 0.729 | 0.819 |
| 11/12/2010 | -2.77% | 0.044% | 1,199.21 | -2.17% | 0.060% | 0.728 | 0.819 |
| 11/5/2010 | 1.87% | 0.046% | 1,225.85 | 3.60% | 0.063% | 0.736 | 0.824 |
| 10/29/2010 | 0.59% | 0.046% | 1,183.26 | 0.02% | 0.066% | 0.706 | 0.804 |
| 10/22/2010 | 0.51% | 0.047% | 1,183.08 | 0.59% | 0.066% | 0.709 | 0.806 |
| 10/15/2010 | 0.30% | 0.047% | 1,176.19 | 0.95% | 0.066% | 0.714 | 0.809 |
| 10/8/2010 | 0.20% | 0.047% | 1,165.15 | 1.65% | 0.066% | 0.713 | 0.809 |
| 10/1/2010 | 1.16% | 0.047% | 1,146.24 | -0.21% | 0.066% | 0.716 | 0.811 |
| 9/24/2010 | 0.63% | 0.048% | 1,148.67 | 2.05% | 0.067% | 0.713 | 0.809 |
| 9/17/2010 | -0.83% | 0.048% | 1,125.59 | 1.45% | 0.071% | 0.677 | 0.784 |
| 9/10/2010 | -0.87% | 0.049% | 1,109.55 | 0.46% | 0.071% | 0.693 | 0.795 |
| 9/3/2010 | 1.18% | 0.050% | 1,104.51 | 3.75% | 0.084% | 0.600 | 0.733 |
| 8/27/2010 | 2.09% | 0.058% | 1,064.59 | -0.66% | 0.090% | 0.650 | 0.766 |
| 8/20/2010 | -0.47% | 0.061% | 1,071.69 | -0.70% | 0.093% | 0.659 | 0.772 |
| 8/13/2010 | -1.03% | 0.071% | 1,079.25 | -3.78% | 0.100% | 0.714 | 0.809 |
| 8/6/2010 | 2.08% | 0.076% | 1,121.64 | 1.82% | 0.101% | 0.752 | 0.835 |
| 7/30/2010 | -0.74% | 0.077% | 1,101.60 | -0.10% | 0.104% | 0.744 | 0.829 |
| 7/23/2010 | 3.39% | 0.077% | 1,102.66 | 3.55% | 0.104% | 0.741 | 0.827 |
| 7/16/2010 | -0.93% | 0.076% | 1,064.88 | -1.21% | 0.103% | 0.737 | 0.825 |

EIGHTEEN-MONTH BETA CALCULATION

| Date | Proxy Group Return | Covar. | Price | S&P 500 Return | Variance | Raw Beta | Adjusted Beta |
|------------|-----------------------|--------|----------|-------------------|----------|-------------|------------------|
| 7/9/2010 | 5.53% | 0.076% | 1,077.96 | 5.42% | 0.106% | 0.718 | 0.812 |
| 7/2/2010 | -1.60% | 0.074% | 1,022.58 | -5.03% | 0.105% | 0.706 | 0.804 |
| 6/25/2010 | -3.10% | 0.077% | 1,076.76 | -3.65% | 0.107% | 0.722 | 0.815 |
| 6/18/2010 | 4.64% | 0.076% | 1,117.51 | 2.37% | 0.106% | 0.717 | 0.811 |
| 6/11/2010 | 2.24% | 0.075% | 1,091.60 | 2.51% | 0.105% | 0.709 | 0.806 |
| 6/4/2010 | -2.28% | 0.074% | 1,064.88 | -2.25% | 0.105% | 0.708 | 0.805 |
| 5/28/2010 | 0.60% | 0.075% | 1,089.41 | 0.16% | 0.105% | 0.712 | 0.808 |
| 5/21/2010 | -4.81% | 0.083% | 1,087.69 | -4.23% | 0.122% | 0.678 | 0.785 |
| 5/14/2010 | 3.48% | 0.082% | 1,135.68 | 2.23% | 0.129% | 0.635 | 0.757 |
| 5/7/2010 | -5.48% | 0.082% | 1,110.88 | -6.39% | 0.134% | 0.608 | 0.738 |
| 4/30/2010 | -0.57% | 0.078% | 1,186.69 | -2.51% | 0.131% | 0.598 | 0.732 |
| 4/23/2010 | 2.94% | 0.087% | 1,217.28 | 2.11% | 0.143% | 0.607 | 0.738 |
| 4/16/2010 | -0.40% | 0.086% | 1,192.13 | -0.19% | 0.149% | 0.576 | 0.717 |
| 4/9/2010 | 0.04% | 0.087% | 1,194.37 | 1.38% | 0.151% | 0.573 | 0.715 |
| 4/2/2010 | 2.03% | 0.127% | 1,178.10 | 0.99% | 0.195% | 0.651 | 0.768 |
| 3/26/2010 | -1.40% | 0.131% | 1,166.59 | 0.58% | 0.206% | 0.636 | 0.757 |
| 3/19/2010 | 1.25% | 0.132% | 1,159.90 | 0.86% | 0.208% | 0.635 | 0.757 |
| 3/12/2010 | 1.20% | 0.132% | 1,149.99 | 0.99% | 0.208% | 0.635 | 0.757 |
| 3/5/2010 | 3.10% | 0.132% | 1,138.70 | 3.10% | 0.208% | 0.636 | 0.758 |
| 2/26/2010 | -2.16% | 0.132% | 1,104.49 | -0.42% | 0.208% | 0.637 | 0.758 |
| 2/19/2010 | 3.44% | 0.132% | 1,109.17 | 3.13% | 0.208% | 0.636 | 0.758 |
| 2/12/2010 | 0.82% | 0.131% | 1,075.51 | 0.87% | 0.206% | 0.633 | 0.756 |
| 2/5/2010 | -2.42% | 0.131% | 1,066.19 | -0.72% | 0.206% | 0.633 | 0.755 |
| 1/29/2010 | -1.75% | 0.132% | 1,073.87 | -1.64% | 0.207% | 0.636 | 0.757 |
| 1/22/2010 | -2.72% | 0.131% | 1,091.76 | -3.90% | 0.207% | 0.635 | 0.757 |
| 1/15/2010 | 0.83% | 0.130% | 1,136.03 | -0.78% | 0.205% | 0.634 | 0.756 |
| 1/8/2010 | -0.03% | 0.130% | 1,144.98 | 2.68% | 0.206% | 0.630 | 0.754 |
| 1/1/2010 | -1.41% | 0.129% | 1,115.10 | -1.01% | 0.205% | 0.629 | 0.752 |
| 12/25/2009 | 0.73% | 0.129% | 1,126.48 | 2.18% | 0.205% | 0.628 | 0.752 |
| 12/18/2009 | 0.25% | 0.130% | 1,102.47 | -0.36% | 0.205% | 0.634 | 0.756 |
| 12/11/2009 | 3.62% | 0.131% | 1,106.41 | 0.04% | 0.207% | 0.634 | 0.756 |
| 12/4/2009 | 3.51% | 0.131% | 1,105.98 | 1.33% | 0.207% | 0.633 | 0.755 |
| 11/27/2009 | 1.22% | 0.130% | 1,091.49 | 0.01% | 0.207% | 0.630 | 0.753 |
| 11/20/2009 | 0.47% | 0.131% | 1,091.38 | -0.19% | 0.208% | 0.629 | 0.752 |
| 11/13/2009 | 1.55% | 0.131% | 1,093.48 | 2.26% | 0.209% | 0.627 | 0.751 |
| 11/6/2009 | 2.36% | 0.131% | 1,069.30 | 3.20% | 0.209% | 0.625 | 0.750 |
| 10/30/2009 | -3.49% | 0.130% | 1,036.19 | -4.02% | 0.208% | 0.625 | 0.750 |
| 10/23/2009 | -1.39% | 0.129% | 1,079.60 | -0.74% | 0.207% | 0.624 | 0.749 |
| 10/16/2009 | 0.68% | 0.129% | 1,087.68 | 1.51% | 0.207% | 0.623 | 0.749 |
| 10/9/2009 | 3.17% | 0.130% | 1,071.49 | 4.51% | 0.209% | 0.624 | 0.749 |
| 10/2/2009 | -1.65% | 0.128% | 1,025.21 | -1.84% | 0.207% | 0.620 | 0.747 |
| 9/25/2009 | -2.07% | 0.130% | 1,044.38 | -2.24% | 0.209% | 0.621 | 0.747 |
| 9/18/2009 | 3.31% | 0.130% | 1,068.30 | 2.45% | 0.209% | 0.621 | 0.747 |
| 9/11/2009 | 0.35% | 0.130% | 1,042.73 | 2.59% | 0.209% | 0.620 | 0.747 |
| 9/4/2009 | -1.86% | 0.129% | 1,016.40 | -1.22% | 0.208% | 0.622 | 0.748 |
| 8/28/2009 | -0.25% | 0.130% | 1,028.93 | 0.27% | 0.209% | 0.621 | 0.748 |
| 8/21/2009 | 1.52% | 0.130% | 1,026.13 | 2.20% | 0.209% | 0.624 | 0.749 |
| 8/14/2009 | 0.78% | 0.130% | 1,004.09 | -0.63% | 0.208% | 0.623 | 0.749 |
| 8/7/2009 | 1.75% | 0.130% | 1,010.48 | 2.33% | 0.209% | 0.621 | 0.748 |
| 7/31/2009 | 0.08% | 0.130% | 987.48 | 0.84% | 0.210% | 0.620 | 0.746 |
| 7/24/2009 | 2.61% | 0.133% | 979.26 | 4.13% | 0.213% | 0.624 | 0.749 |
| 7/17/2009 | 3.40% | 0.131% | 940.38 | 6.97% | 0.211% | 0.622 | 0.748 |
| 7/10/2009 | -2.00% | 0.131% | 879.13 | -1.93% | 0.207% | 0.631 | 0.754 |
| 7/3/2009 | -0.46% | 0.130% | 896.42 | -2.45% | 0.207% | 0.630 | 0.753 |
| 6/26/2009 | 0.65% | 0.132% | 918.90 | -0.25% | 0.209% | 0.632 | 0.755 |
| 6/19/2009 | -0.27% | 0.132% | 921.23 | -2.64% | 0.209% | 0.632 | 0.755 |
| 6/12/2009 | 3.54% | 0.132% | 946.21 | 0.65% | 0.208% | 0.635 | 0.756 |
| 6/5/2009 | 3.71% | 0.132% | 940.09 | 2.28% | 0.209% | 0.634 | 0.756 |
| 5/29/2009 | 3.53% | 0.132% | 919.14 | 3.62% | 0.208% | 0.632 | 0.755 |
| 5/22/2009 | 0.31% | 0.130% | 887.00 | 0.47% | 0.207% | 0.626 | 0.751 |
| 5/15/2009 | -4.78% | 0.130% | 882.88 | -4.99% | 0.207% | 0.625 | 0.750 |
| 5/8/2009 | 1.20% | 0.127% | 929.23 | 5.89% | 0.205% | 0.621 | 0.747 |
| 5/1/2009 | 2.60% | 0.126% | 877.52 | 1.30% | 0.201% | 0.625 | 0.750 |
| 4/24/2009 | -3.31% | 0.125% | 866.23 | -0.39% | 0.201% | 0.623 | 0.749 |
| 4/17/2009 | 0.61% | 0.126% | 869.60 | 1.52% | 0.202% | 0.626 | 0.751 |
| 4/10/2009 | 1.53% | 0.128% | 856.56 | 1.67% | 0.202% | 0.630 | 0.753 |
| 4/3/2009 | 1.55% | 0.127% | 842.50 | 3.26% | 0.202% | 0.630 | 0.753 |
| 3/27/2009 | 0.70% | 0.127% | 815.94 | 6.17% | 0.201% | 0.635 | 0.757 |

EIGHTEEN-MONTH BETA CALCULATION

| Date | Proxy Group Return | Covar. | Price | S&P 500 Return | Variance | Raw Beta | Adjusted Beta |
|------------|-----------------------|--------|----------|-------------------|----------|-------------|------------------|
| 3/20/2009 | 7.88% | 0.127% | 768.54 | 1.58% | 0.195% | 0.650 | 0.767 |
| 3/13/2009 | 1.62% | 0.125% | 756.55 | 10.71% | 0.196% | 0.640 | 0.760 |
| 3/6/2009 | -8.07% | 0.123% | 683.38 | -7.03% | 0.180% | 0.684 | 0.789 |
| 2/27/2009 | -3.55% | 0.117% | 735.09 | -4.54% | 0.175% | 0.668 | 0.779 |
| 2/20/2009 | -10.41% | 0.115% | 770.05 | -6.87% | 0.173% | 0.666 | 0.777 |
| 2/13/2009 | -7.88% | 0.107% | 826.84 | -4.81% | 0.169% | 0.633 | 0.756 |
| 2/6/2009 | 2.64% | 0.103% | 868.60 | 5.17% | 0.167% | 0.617 | 0.745 |
| 1/30/2009 | 1.19% | 0.103% | 825.88 | -0.73% | 0.163% | 0.630 | 0.753 |
| 1/23/2009 | -1.35% | 0.103% | 831.95 | -2.14% | 0.163% | 0.629 | 0.753 |
| 1/16/2009 | -0.09% | 0.105% | 850.12 | -4.52% | 0.165% | 0.635 | 0.756 |
| 1/9/2009 | -3.15% | 0.105% | 890.35 | -4.45% | 0.164% | 0.643 | 0.762 |
| 1/2/2009 | 5.06% | 0.104% | 931.80 | 6.76% | 0.162% | 0.641 | 0.761 |
| 12/26/2008 | 0.09% | 0.099% | 872.80 | -1.70% | 0.156% | 0.636 | 0.757 |
| 12/19/2008 | 0.79% | 0.099% | 887.88 | 0.93% | 0.156% | 0.637 | 0.758 |
| 12/12/2008 | -0.64% | 0.100% | 879.73 | 0.42% | 0.156% | 0.641 | 0.761 |
| 12/5/2008 | -3.75% | 0.100% | 876.07 | -2.25% | 0.156% | 0.642 | 0.762 |
| 11/28/2008 | 5.57% | 0.101% | 896.24 | 12.03% | 0.156% | 0.643 | 0.762 |
| 11/21/2008 | -1.91% | 0.092% | 800.03 | -8.39% | 0.136% | 0.672 | 0.782 |
| 11/14/2008 | -0.20% | 0.090% | 873.29 | -6.20% | 0.129% | 0.699 | 0.799 |
| 11/7/2008 | -2.55% | 0.090% | 930.99 | -3.90% | 0.125% | 0.720 | 0.814 |
| 10/31/2008 | 7.00% | 0.089% | 968.75 | 10.49% | 0.123% | 0.720 | 0.814 |
| 10/24/2008 | 0.55% | 0.078% | 876.77 | -6.78% | 0.108% | 0.727 | 0.818 |
| 10/17/2008 | 1.90% | 0.079% | 940.55 | 4.60% | 0.103% | 0.768 | 0.846 |
| 10/10/2008 | -16.84% | 0.078% | 899.22 | -18.20% | 0.101% | 0.776 | 0.851 |
| 10/3/2008 | -3.72% | 0.041% | 1,099.23 | -9.38% | 0.061% | 0.674 | 0.782 |
| 9/26/2008 | -1.41% | 0.037% | 1,213.01 | -3.35% | 0.050% | 0.733 | 0.822 |
| 9/19/2008 | 1.62% | 0.036% | 1,255.08 | 0.27% | 0.049% | 0.742 | 0.828 |
| 9/12/2008 | 4.15% | 0.038% | 1,251.70 | 0.76% | 0.051% | 0.755 | 0.837 |
| 9/5/2008 | -3.30% | 0.038% | 1,242.31 | -3.16% | 0.051% | 0.744 | 0.829 |
| 8/29/2008 | -0.56% | 0.036% | 1,282.83 | -0.73% | 0.050% | 0.730 | 0.820 |
| 8/22/2008 | 0.30% | 0.038% | 1,292.20 | -0.46% | 0.052% | 0.723 | 0.816 |
| 8/15/2008 | 0.69% | 0.038% | 1,298.20 | 0.15% | 0.052% | 0.724 | 0.816 |
| 8/8/2008 | 3.49% | 0.038% | 1,296.32 | 2.86% | 0.052% | 0.722 | 0.815 |
| 8/1/2008 | 0.45% | 0.036% | 1,260.31 | 0.20% | 0.051% | 0.709 | 0.806 |
| 7/25/2008 | 1.18% | 0.037% | 1,257.76 | -0.23% | 0.052% | 0.709 | 0.806 |
| 7/18/2008 | -2.71% | 0.037% | 1,260.68 | 1.71% | 0.052% | 0.708 | 0.806 |
| 7/11/2008 | 3.02% | 0.037% | 1,239.49 | -1.85% | 0.051% | 0.726 | 0.817 |
| 7/4/2008 | -0.46% | 0.038% | 1,262.90 | -1.21% | 0.051% | 0.739 | 0.826 |
| 6/27/2008 | -4.22% | 0.038% | 1,278.38 | -3.00% | 0.051% | 0.742 | 0.828 |
| 6/20/2008 | -1.84% | 0.036% | 1,317.93 | -3.10% | 0.050% | 0.727 | 0.818 |
| 6/13/2008 | 1.08% | 0.036% | 1,360.03 | -0.05% | 0.049% | 0.730 | 0.820 |
| 6/6/2008 | -1.06% | 0.036% | 1,360.68 | -2.83% | 0.049% | 0.732 | 0.821 |
| 5/30/2008 | 0.61% | 0.036% | 1,400.38 | 1.78% | 0.048% | 0.738 | 0.826 |
| 5/23/2008 | -1.35% | 0.036% | 1,375.93 | -3.47% | 0.048% | 0.741 | 0.827 |
| 5/16/2008 | 0.83% | 0.035% | 1,425.35 | 2.67% | 0.046% | 0.754 | 0.836 |
| 5/9/2008 | -1.84% | 0.035% | 1,388.28 | -1.81% | 0.046% | 0.760 | 0.840 |
| 5/2/2008 | 1.54% | 0.035% | 1,413.90 | 1.15% | 0.046% | 0.762 | 0.842 |
| 4/25/2008 | -0.71% | 0.035% | 1,397.84 | 0.54% | 0.046% | 0.761 | 0.841 |
| 4/18/2008 | 2.87% | 0.035% | 1,390.33 | 4.31% | 0.046% | 0.762 | 0.841 |
| 4/11/2008 | -0.05% | 0.033% | 1,332.83 | -2.74% | 0.043% | 0.767 | 0.845 |
| 4/4/2008 | 3.18% | 0.033% | 1,370.40 | 4.20% | 0.042% | 0.789 | 0.859 |
| 3/28/2008 | -2.27% | 0.032% | 1,315.22 | -1.07% | 0.040% | 0.791 | 0.861 |
| 3/21/2008 | 2.90% | 0.032% | 1,329.51 | 3.21% | 0.040% | 0.782 | 0.855 |
| 3/14/2008 | 0.71% | 0.030% | 1,288.14 | -0.40% | 0.039% | 0.777 | 0.852 |
| 3/7/2008 | -1.64% | 0.031% | 1,293.37 | -2.80% | 0.039% | 0.781 | 0.854 |
| 2/29/2008 | -3.30% | 0.030% | 1,330.63 | -1.66% | 0.039% | 0.790 | 0.860 |
| 2/22/2008 | -0.67% | 0.030% | 1,353.11 | 0.23% | 0.038% | 0.784 | 0.856 |
| 2/15/2008 | -1.11% | 0.030% | 1,349.99 | 1.40% | 0.038% | 0.785 | 0.857 |
| 2/8/2008 | -2.44% | 0.031% | 1,331.29 | -4.60% | 0.039% | 0.785 | 0.857 |
| 2/1/2008 | 4.18% | 0.029% | 1,395.42 | 4.87% | 0.036% | 0.805 | 0.870 |
| 1/25/2008 | -3.71% | 0.027% | 1,330.61 | 0.41% | 0.034% | 0.799 | 0.866 |
| 1/18/2008 | -5.03% | 0.028% | 1,325.19 | -5.41% | 0.035% | 0.800 | 0.866 |
| 1/11/2008 | 1.76% | 0.024% | 1,401.02 | -0.75% | 0.031% | 0.786 | 0.857 |
| 1/4/2008 | -3.30% | 0.024% | 1,411.63 | -4.52% | 0.031% | 0.772 | 0.848 |
| 12/28/2007 | -0.15% | 0.022% | 1,478.49 | -0.40% | 0.029% | 0.773 | 0.848 |
| 12/21/2007 | 1.37% | 0.022% | 1,484.46 | 1.12% | 0.029% | 0.769 | 0.846 |
| 12/14/2007 | -3.18% | 0.022% | 1,467.95 | -2.44% | 0.029% | 0.770 | 0.846 |
| 12/7/2007 | 2.50% | 0.021% | 1,504.66 | 1.59% | 0.028% | 0.756 | 0.837 |

EIGHTEEN-MONTH BETA CALCULATION

| Date | Proxy Group Return | Covar. | Price | S&P 500 Return | Variance | Raw Beta | Adjusted Beta |
|------------|-----------------------|--------|----------|-------------------|----------|-------------|------------------|
| 11/30/2007 | 0.26% | 0.021% | 1,481.14 | 2.81% | 0.029% | 0.726 | 0.817 |
| 11/23/2007 | 1.72% | 0.021% | 1,440.70 | -1.24% | 0.028% | 0.752 | 0.835 |
| 11/16/2007 | 1.07% | 0.022% | 1,458.74 | 0.35% | 0.028% | 0.769 | 0.846 |
| 11/9/2007 | 0.41% | 0.022% | 1,453.70 | -3.71% | 0.028% | 0.764 | 0.843 |
| 11/2/2007 | -1.01% | 0.023% | 1,509.65 | -1.67% | 0.028% | 0.832 | 0.888 |
| 10/26/2007 | 2.83% | 0.023% | 1,535.28 | 2.31% | 0.027% | 0.836 | 0.891 |
| 10/19/2007 | -4.24% | 0.022% | 1,500.63 | -3.92% | 0.027% | 0.825 | 0.883 |
| 10/12/2007 | 0.44% | 0.020% | 1,561.80 | 0.27% | 0.025% | 0.815 | 0.877 |
| 10/5/2007 | 3.72% | 0.020% | 1,557.59 | 2.02% | 0.025% | 0.823 | 0.882 |
| 9/28/2007 | -0.26% | 0.020% | 1,526.75 | 0.07% | 0.024% | 0.804 | 0.869 |
| 9/21/2007 | 2.13% | 0.020% | 1,525.75 | 2.80% | 0.025% | 0.803 | 0.869 |
| 9/14/2007 | 1.59% | 0.019% | 1,484.25 | 2.11% | 0.024% | 0.804 | 0.869 |
| 9/7/2007 | -0.54% | 0.019% | 1,453.55 | -1.39% | 0.024% | 0.797 | 0.865 |
| 8/31/2007 | -2.39% | 0.019% | 1,473.99 | -0.36% | 0.023% | 0.806 | 0.870 |
| 8/24/2007 | -0.20% | 0.019% | 1,479.37 | 2.31% | 0.023% | 0.801 | 0.868 |
| 8/17/2007 | -1.09% | 0.019% | 1,445.94 | -0.53% | 0.023% | 0.825 | 0.883 |
| 8/10/2007 | 6.71% | 0.019% | 1,453.64 | 1.44% | 0.023% | 0.823 | 0.882 |
| 8/3/2007 | -0.65% | 0.018% | 1,433.06 | -1.77% | 0.023% | 0.783 | 0.855 |
| 7/27/2007 | -4.53% | 0.018% | 1,458.95 | -4.90% | 0.023% | 0.812 | 0.875 |
| 7/20/2007 | -1.16% | 0.015% | 1,534.10 | -1.19% | 0.020% | 0.787 | 0.858 |
| 7/13/2007 | 1.31% | 0.015% | 1,552.50 | 1.44% | 0.020% | 0.747 | 0.832 |
| 7/6/2007 | 0.23% | 0.015% | 1,530.44 | 1.80% | 0.020% | 0.745 | 0.830 |
| 6/29/2007 | 1.00% | 0.015% | 1,503.35 | 0.05% | 0.020% | 0.752 | 0.835 |
| 6/22/2007 | -4.21% | 0.016% | 1,502.56 | -1.98% | 0.021% | 0.752 | 0.835 |
| 6/15/2007 | 1.54% | 0.015% | 1,532.91 | 1.67% | 0.020% | 0.716 | 0.811 |
| 6/8/2007 | -5.13% | 0.014% | 1,507.67 | -1.87% | 0.020% | 0.711 | 0.808 |
| 6/1/2007 | 1.64% | 0.013% | 1,536.34 | 1.36% | 0.019% | 0.655 | 0.770 |
| 5/25/2007 | -4.79% | 0.013% | 1,515.73 | -0.46% | 0.019% | 0.651 | 0.767 |
| 5/18/2007 | -0.02% | 0.012% | 1,522.75 | 1.12% | 0.020% | 0.631 | 0.754 |
| 5/11/2007 | -1.22% | 0.012% | 1,505.85 | 0.02% | 0.020% | 0.638 | 0.759 |
| 5/4/2007 | -0.32% | 0.012% | 1,505.62 | 0.77% | 0.020% | 0.630 | 0.754 |
| 4/27/2007 | 0.13% | 0.012% | 1,494.07 | 0.65% | 0.020% | 0.626 | 0.751 |
| 4/20/2007 | 0.84% | 0.013% | 1,484.35 | 2.17% | 0.020% | 0.632 | 0.755 |
| 4/13/2007 | 0.92% | 0.013% | 1,452.85 | 0.63% | 0.020% | 0.644 | 0.763 |
| 4/6/2007 | 0.91% | 0.013% | 1,443.76 | 1.61% | 0.020% | 0.668 | 0.779 |
| 3/30/2007 | -0.97% | 0.014% | 1,420.86 | -1.06% | 0.021% | 0.691 | 0.794 |
| 3/23/2007 | 4.15% | 0.014% | 1,436.11 | 3.54% | 0.021% | 0.692 | 0.795 |
| 3/16/2007 | 0.49% | 0.013% | 1,386.95 | -1.13% | 0.020% | 0.675 | 0.783 |
| 3/9/2007 | -1.15% | 0.013% | 1,402.85 | 1.13% | 0.019% | 0.684 | 0.789 |
| 3/2/2007 | -2.62% | 0.014% | 1,387.17 | -4.41% | 0.020% | 0.699 | 0.799 |
| 2/23/2007 | 0.27% | 0.012% | 1,451.19 | -0.30% | 0.017% | 0.726 | 0.818 |
| 2/16/2007 | 0.45% | 0.012% | 1,455.54 | 1.22% | 0.017% | 0.715 | 0.810 |
| 2/9/2007 | 0.75% | 0.012% | 1,438.06 | -0.71% | 0.017% | 0.715 | 0.810 |
| 2/2/2007 | 1.20% | 0.012% | 1,448.39 | 1.84% | 0.017% | 0.723 | 0.815 |
| 1/26/2007 | -0.01% | 0.012% | 1,422.18 | -0.58% | 0.017% | 0.731 | 0.820 |
| 1/19/2007 | -0.02% | 0.012% | 1,430.50 | -0.02% | 0.017% | 0.734 | 0.823 |
| 1/12/2007 | -0.42% | 0.012% | 1,430.73 | 1.49% | 0.017% | 0.735 | 0.823 |
| 1/5/2007 | -1.03% | 0.013% | 1,409.71 | -0.61% | 0.017% | 0.742 | 0.828 |
| 12/29/2006 | -0.23% | 0.013% | 1,418.30 | 0.53% | 0.017% | 0.736 | 0.824 |
| 12/22/2006 | -0.71% | 0.013% | 1,410.76 | -1.14% | 0.017% | 0.737 | 0.825 |
| 12/15/2006 | 1.35% | 0.013% | 1,427.09 | 1.22% | 0.017% | 0.727 | 0.818 |
| 12/8/2006 | -0.38% | 0.013% | 1,409.84 | 0.94% | 0.018% | 0.721 | 0.814 |
| 12/1/2006 | -0.14% | 0.013% | 1,396.71 | -0.30% | 0.017% | 0.726 | 0.818 |
| 11/24/2006 | 0.20% | 0.013% | 1,400.95 | -0.02% | 0.017% | 0.723 | 0.816 |
| 11/17/2006 | 0.71% | 0.013% | 1,401.20 | 1.47% | 0.017% | 0.723 | 0.815 |
| 11/10/2006 | 1.91% | 0.014% | 1,380.90 | 1.22% | 0.018% | 0.743 | 0.828 |
| 11/3/2006 | -1.27% | 0.014% | 1,364.30 | -0.95% | 0.019% | 0.734 | 0.823 |
| 10/27/2006 | -0.01% | 0.013% | 1,377.34 | 0.64% | 0.019% | 0.724 | 0.816 |
| 10/20/2006 | 2.16% | 0.013% | 1,368.60 | 0.22% | 0.019% | 0.725 | 0.817 |
| 10/13/2006 | 2.01% | 0.014% | 1,365.62 | 1.19% | 0.019% | 0.730 | 0.820 |
| 10/6/2006 | 1.28% | 0.014% | 1,349.58 | 1.03% | 0.020% | 0.707 | 0.805 |
| 9/29/2006 | 0.18% | 0.014% | 1,335.85 | 1.60% | 0.020% | 0.704 | 0.803 |
| 9/22/2006 | -0.93% | 0.014% | 1,314.78 | -0.39% | 0.020% | 0.713 | 0.809 |
| 9/15/2006 | 1.46% | 0.014% | 1,319.87 | 1.61% | 0.020% | 0.718 | 0.812 |
| 9/8/2006 | -1.69% | 0.014% | 1,298.92 | -0.92% | 0.020% | 0.709 | 0.806 |
| 9/1/2006 | 2.18% | 0.014% | 1,311.01 | 1.23% | 0.020% | 0.707 | 0.804 |
| 8/25/2006 | -0.97% | 0.014% | 1,295.09 | -0.55% | 0.020% | 0.698 | 0.798 |
| 8/18/2006 | 1.06% | 0.014% | 1,302.30 | 2.81% | 0.020% | 0.691 | 0.794 |

EIGHTEEN-MONTH BETA CALCULATION

| Date | Proxy Group Return | Covar. | Price | S&P 500 Return | Variance | Raw Beta | Adjusted Beta |
|------------|-----------------------|--------|----------|-------------------|----------|-------------|------------------|
| 8/11/2006 | -0.67% | 0.014% | 1,266.74 | -0.99% | 0.019% | 0.710 | 0.806 |
| 8/4/2006 | 0.00% | 0.013% | 1,279.36 | 0.06% | 0.019% | 0.708 | 0.806 |
| 7/28/2006 | 2.05% | 0.014% | 1,278.55 | 3.08% | 0.020% | 0.715 | 0.810 |
| 7/21/2006 | 2.63% | 0.013% | 1,240.29 | 0.33% | 0.019% | 0.719 | 0.813 |
| 7/14/2006 | 0.41% | 0.014% | 1,236.20 | -2.31% | 0.019% | 0.711 | 0.807 |
| 7/7/2006 | 1.15% | 0.014% | 1,265.48 | -0.37% | 0.018% | 0.743 | 0.829 |
| 6/30/2006 | 1.08% | 0.015% | 1,270.20 | 2.07% | 0.019% | 0.771 | 0.847 |
| 6/23/2006 | -1.19% | 0.014% | 1,244.50 | -0.56% | 0.018% | 0.777 | 0.851 |
| 6/16/2006 | -1.34% | 0.014% | 1,251.54 | -0.06% | 0.019% | 0.769 | 0.846 |
| 6/9/2006 | -0.51% | 0.014% | 1,252.30 | -2.79% | 0.019% | 0.776 | 0.850 |
| 6/2/2006 | 2.51% | 0.014% | 1,288.22 | 0.63% | 0.018% | 0.814 | 0.876 |
| 5/26/2006 | 0.94% | 0.014% | 1,280.16 | 1.04% | 0.018% | 0.793 | 0.862 |
| 5/19/2006 | -0.95% | 0.014% | 1,267.03 | -1.87% | 0.018% | 0.801 | 0.867 |
| 5/12/2006 | -2.67% | 0.014% | 1,291.24 | -2.60% | 0.017% | 0.817 | 0.878 |
| 5/5/2006 | 1.03% | 0.014% | 1,325.76 | 1.16% | 0.017% | 0.822 | 0.881 |
| 4/28/2006 | 1.00% | 0.015% | 1,310.61 | -0.05% | 0.018% | 0.841 | 0.894 |
| 4/21/2006 | 2.75% | 0.016% | 1,311.28 | 1.72% | 0.019% | 0.838 | 0.892 |
| 4/14/2006 | -2.49% | 0.015% | 1,289.12 | -0.49% | 0.019% | 0.817 | 0.878 |
| 4/7/2006 | -0.46% | 0.015% | 1,295.50 | 0.05% | 0.019% | 0.798 | 0.865 |
| 3/31/2006 | -0.52% | 0.015% | 1,294.83 | -0.62% | 0.019% | 0.784 | 0.856 |
| 3/24/2006 | -0.42% | 0.015% | 1,302.95 | -0.33% | 0.019% | 0.781 | 0.854 |
| 3/17/2006 | 0.83% | 0.015% | 1,307.25 | 2.00% | 0.020% | 0.789 | 0.859 |
| 3/10/2006 | -1.31% | 0.015% | 1,281.58 | -0.44% | 0.019% | 0.796 | 0.864 |
| 3/3/2006 | -1.06% | 0.015% | 1,287.23 | -0.17% | 0.019% | 0.792 | 0.861 |
| 2/24/2006 | 1.19% | 0.015% | 1,289.43 | 0.17% | 0.019% | 0.792 | 0.862 |
| 2/17/2006 | 1.26% | 0.015% | 1,287.24 | 1.60% | 0.019% | 0.793 | 0.862 |
| 2/10/2006 | 0.77% | 0.015% | 1,266.99 | 0.23% | 0.020% | 0.768 | 0.845 |
| 2/3/2006 | -3.33% | 0.015% | 1,264.03 | -1.53% | 0.020% | 0.768 | 0.845 |
| 1/27/2006 | 0.04% | 0.014% | 1,283.72 | 1.76% | 0.021% | 0.669 | 0.779 |
| 1/20/2006 | 0.89% | 0.014% | 1,261.49 | -2.03% | 0.021% | 0.667 | 0.778 |
| 1/13/2006 | -0.09% | 0.015% | 1,287.61 | 0.17% | 0.021% | 0.706 | 0.804 |
| 1/6/2006 | 1.99% | 0.014% | 1,285.45 | 2.98% | 0.021% | 0.683 | 0.788 |
| 12/30/2005 | -1.17% | 0.014% | 1,248.29 | -1.61% | 0.020% | 0.682 | 0.788 |
| 12/23/2005 | -1.51% | 0.014% | 1,268.66 | 0.11% | 0.020% | 0.679 | 0.786 |
| 12/16/2005 | -0.04% | 0.014% | 1,267.32 | 0.63% | 0.020% | 0.677 | 0.785 |
| 12/9/2005 | 0.51% | 0.014% | 1,259.37 | -0.45% | 0.020% | 0.676 | 0.784 |
| 12/2/2005 | -0.62% | 0.014% | 1,265.08 | -0.25% | 0.020% | 0.677 | 0.785 |
| 11/25/2005 | 1.12% | 0.014% | 1,268.25 | 1.60% | 0.020% | 0.676 | 0.784 |
| 11/18/2005 | 1.20% | 0.015% | 1,248.27 | 1.10% | 0.021% | 0.705 | 0.803 |
| 11/11/2005 | -0.08% | 0.014% | 1,234.72 | 1.19% | 0.021% | 0.703 | 0.802 |
| 11/4/2005 | 0.45% | 0.015% | 1,220.14 | 1.81% | 0.020% | 0.714 | 0.810 |
| 10/28/2005 | 1.69% | 0.015% | 1,198.41 | 1.60% | 0.020% | 0.741 | 0.827 |
| 10/21/2005 | -1.15% | 0.015% | 1,179.59 | -0.59% | 0.021% | 0.721 | 0.814 |
| 10/14/2005 | -4.30% | 0.015% | 1,186.57 | -0.78% | 0.021% | 0.719 | 0.812 |
| 10/7/2005 | -2.99% | 0.015% | 1,195.90 | -2.68% | 0.021% | 0.706 | 0.804 |
| 9/30/2005 | 1.34% | 0.014% | 1,228.81 | 1.11% | 0.020% | 0.688 | 0.792 |
| 9/23/2005 | -2.89% | 0.014% | 1,215.29 | -1.83% | 0.021% | 0.673 | 0.782 |
| 9/16/2005 | 0.43% | 0.013% | 1,237.91 | -0.29% | 0.020% | 0.654 | 0.769 |
| 9/9/2005 | 1.51% | 0.013% | 1,241.48 | 1.93% | 0.021% | 0.650 | 0.767 |
| 9/2/2005 | 2.30% | 0.014% | 1,218.02 | 1.07% | 0.021% | 0.652 | 0.768 |
| 8/26/2005 | 0.35% | 0.014% | 1,205.10 | -1.20% | 0.021% | 0.647 | 0.764 |
| 8/19/2005 | -0.28% | 0.014% | 1,219.71 | -0.87% | 0.021% | 0.655 | 0.770 |
| 8/12/2005 | -1.44% | 0.014% | 1,230.39 | 0.32% | 0.021% | 0.656 | 0.770 |
| 8/5/2005 | -1.66% | 0.014% | 1,226.42 | -0.63% | 0.021% | 0.658 | 0.772 |
| 7/29/2005 | -0.22% | 0.014% | 1,234.18 | 0.04% | 0.021% | 0.647 | 0.765 |
| 7/22/2005 | 0.71% | 0.014% | 1,233.68 | 0.47% | 0.021% | 0.648 | 0.766 |
| 7/15/2005 | 0.09% | 0.014% | 1,227.92 | 1.33% | 0.021% | 0.648 | 0.765 |
| 7/8/2005 | 0.68% | 0.014% | 1,211.86 | 1.46% | 0.021% | 0.652 | 0.768 |
| 7/1/2005 | 2.83% | 0.014% | 1,194.44 | 0.24% | 0.021% | 0.649 | 0.766 |
| 6/24/2005 | -0.88% | 0.014% | 1,191.57 | -2.09% | 0.021% | 0.647 | 0.765 |
| 6/17/2005 | 0.84% | 0.014% | 1,216.96 | 1.57% | 0.021% | 0.653 | 0.769 |
| 6/10/2005 | 1.04% | 0.014% | 1,198.11 | 0.17% | 0.021% | 0.657 | 0.771 |
| 6/3/2005 | 0.86% | 0.014% | 1,196.02 | -0.23% | 0.021% | 0.653 | 0.769 |
| 5/27/2005 | 0.47% | 0.014% | 1,198.78 | 0.80% | 0.021% | 0.656 | 0.770 |
| 5/20/2005 | 3.04% | 0.014% | 1,189.28 | 3.05% | 0.021% | 0.671 | 0.781 |
| 5/13/2005 | -0.98% | 0.014% | 1,154.05 | -1.48% | 0.021% | 0.657 | 0.772 |
| 5/6/2005 | 0.16% | 0.013% | 1,171.35 | 1.25% | 0.020% | 0.654 | 0.770 |
| 4/29/2005 | -0.39% | 0.013% | 1,156.85 | 0.41% | 0.020% | 0.659 | 0.773 |

EIGHTEEN-MONTH BETA CALCULATION

| Date | Proxy Group | | Price | S&P 500 | | Raw Beta | Adjusted Beta |
|------------|-------------|--------|----------|---------|----------|----------|---------------|
| | Return | Covar. | | Return | Variance | | |
| 4/22/2005 | 1.76% | 0.014% | 1,152.12 | 0.83% | 0.021% | 0.655 | 0.770 |
| 4/15/2005 | -1.71% | 0.013% | 1,142.62 | -3.27% | 0.021% | 0.642 | 0.761 |
| 4/8/2005 | 0.49% | 0.013% | 1,181.20 | 0.71% | 0.019% | 0.649 | 0.766 |
| 4/1/2005 | 1.26% | 0.012% | 1,172.92 | 0.13% | 0.019% | 0.648 | 0.765 |
| 3/25/2005 | -1.75% | 0.013% | 1,171.42 | -1.53% | 0.021% | 0.652 | 0.768 |
| 3/18/2005 | 0.29% | 0.014% | 1,189.65 | -0.87% | 0.022% | 0.626 | 0.751 |
| 3/11/2005 | -1.63% | 0.014% | 1,200.08 | -1.80% | 0.022% | 0.635 | 0.757 |
| 3/4/2005 | 0.69% | 0.014% | 1,222.12 | 0.89% | 0.022% | 0.624 | 0.749 |
| 2/25/2005 | -0.41% | 0.014% | 1,211.37 | 0.81% | 0.022% | 0.630 | 0.753 |
| 2/18/2005 | -1.25% | 0.014% | 1,201.59 | -0.31% | 0.022% | 0.633 | 0.756 |
| 2/11/2005 | -1.82% | 0.014% | 1,205.30 | 0.19% | 0.022% | 0.630 | 0.753 |
| 2/4/2005 | 2.28% | 0.014% | 1,203.03 | 2.70% | 0.022% | 0.636 | 0.757 |
| 1/28/2005 | 1.23% | 0.014% | 1,171.36 | 0.30% | 0.021% | 0.636 | 0.757 |
| 1/21/2005 | -0.57% | 0.014% | 1,167.87 | -1.41% | 0.022% | 0.648 | 0.765 |
| 1/14/2005 | 1.34% | 0.014% | 1,184.52 | -0.14% | 0.022% | 0.651 | 0.768 |
| 1/7/2005 | -3.18% | 0.014% | 1,186.19 | -2.12% | 0.022% | 0.662 | 0.774 |
| 12/31/2004 | -0.38% | 0.014% | 1,211.92 | 0.15% | | | |
| 12/24/2004 | 0.37% | 0.014% | 1,210.13 | 1.33% | | | |
| 12/17/2004 | 3.00% | 0.014% | 1,194.22 | 0.52% | | | |
| 12/10/2004 | -1.22% | 0.014% | 1,188.00 | -0.27% | | | |
| 12/3/2004 | -2.39% | 0.014% | 1,191.17 | 0.72% | | | |
| 11/26/2004 | 2.09% | 0.014% | 1,182.65 | 1.05% | | | |
| 11/19/2004 | -1.72% | 0.014% | 1,170.34 | -1.17% | | | |
| 11/12/2004 | 2.34% | 0.014% | 1,184.17 | 1.54% | | | |
| 11/5/2004 | 3.46% | 0.014% | 1,166.17 | 3.18% | | | |
| 10/29/2004 | 2.24% | 0.013% | 1,130.20 | 3.14% | | | |
| 10/22/2004 | -0.46% | 0.012% | 1,095.74 | -1.12% | | | |
| 10/15/2004 | -0.11% | 0.012% | 1,108.20 | -1.24% | | | |
| 10/8/2004 | 1.15% | 0.012% | 1,122.14 | -0.83% | | | |
| 10/1/2004 | 1.16% | 0.013% | 1,131.50 | 1.93% | | | |
| 9/24/2004 | -2.01% | 0.013% | 1,110.11 | -1.63% | | | |
| 9/17/2004 | -0.12% | 0.012% | 1,128.55 | 0.41% | | | |
| 9/10/2004 | 0.58% | 0.012% | 1,123.92 | 0.92% | | | |
| 9/3/2004 | 1.44% | 0.013% | 1,113.63 | 0.53% | | | |
| 8/27/2004 | 0.71% | 0.013% | 1,107.77 | 0.86% | | | |
| 8/20/2004 | 1.12% | 0.013% | 1,098.35 | 3.15% | | | |
| 8/13/2004 | -0.35% | 0.013% | 1,064.80 | 0.08% | | | |
| 8/6/2004 | 0.86% | 0.013% | 1,063.97 | -3.43% | | | |
| 7/30/2004 | -0.72% | 0.013% | 1,101.72 | 1.43% | | | |
| 7/23/2004 | -1.74% | 0.014% | 1,086.20 | -1.38% | | | |
| 7/16/2004 | 2.41% | 0.014% | 1,101.39 | -1.03% | | | |
| 7/9/2004 | -0.59% | 0.014% | 1,112.81 | -1.12% | | | |
| 7/2/2004 | -0.13% | 0.014% | 1,125.38 | -0.80% | | | |
| 6/25/2004 | 1.26% | 0.015% | 1,134.43 | -0.05% | | | |
| 6/18/2004 | 1.28% | 0.015% | 1,135.02 | -0.13% | | | |
| 6/11/2004 | 0.66% | 0.015% | 1,136.47 | 1.24% | | | |
| 6/4/2004 | -1.44% | 0.016% | 1,122.50 | 0.16% | | | |
| 5/28/2004 | 3.72% | 0.016% | 1,120.68 | 2.48% | | | |
| 5/21/2004 | -0.36% | 0.015% | 1,093.56 | -0.20% | | | |
| 5/14/2004 | -1.91% | 0.015% | 1,095.70 | -0.27% | | | |
| 5/7/2004 | -3.41% | 0.015% | 1,098.70 | -0.78% | | | |
| 4/30/2004 | -1.28% | 0.014% | 1,107.30 | -2.92% | | | |
| 4/23/2004 | 0.75% | 0.014% | 1,140.60 | 0.53% | | | |
| 4/16/2004 | -2.52% | 0.014% | 1,134.61 | -0.41% | | | |
| 4/9/2004 | -1.53% | 0.014% | 1,139.32 | -0.22% | | | |
| 4/2/2004 | 1.52% | 0.014% | 1,141.81 | 3.05% | | | |
| 3/26/2004 | -1.05% | 0.013% | 1,108.06 | -0.15% | | | |
| 3/19/2004 | 0.20% | 0.013% | 1,109.78 | -0.96% | | | |
| 3/12/2004 | -2.20% | 0.014% | 1,120.57 | -3.14% | | | |
| 3/5/2004 | 1.37% | 0.011% | 1,156.87 | 1.04% | | | |
| 2/27/2004 | 1.81% | 0.012% | 1,144.94 | 0.07% | | | |
| 2/20/2004 | 0.35% | 0.012% | 1,144.11 | -0.15% | | | |
| 2/13/2004 | 0.51% | 0.013% | 1,145.81 | 0.27% | | | |
| 2/6/2004 | -0.18% | 0.013% | 1,142.76 | 1.03% | | | |
| 1/30/2004 | -0.76% | 0.014% | 1,131.13 | -0.91% | | | |
| 1/23/2004 | 1.66% | 0.013% | 1,141.55 | 0.15% | | | |
| 1/16/2004 | 0.88% | 0.014% | 1,139.83 | 1.60% | | | |
| 1/9/2004 | 0.02% | 0.014% | 1,121.86 | 1.21% | | | |

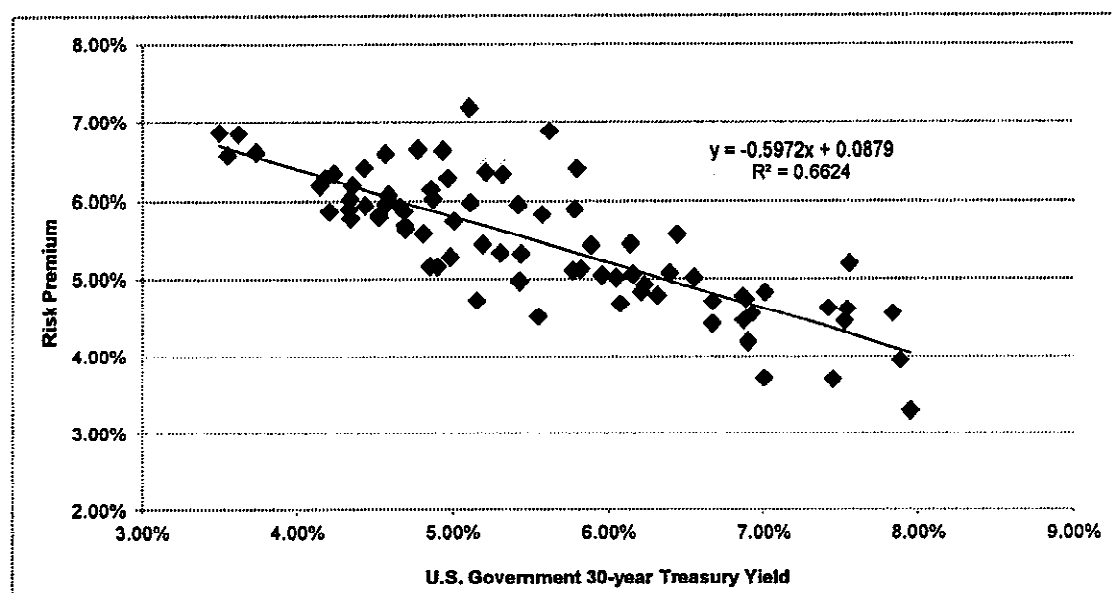
EIGHTEEN-MONTH BETA CALCULATION

| Date | Proxy Group | | Price | S&P 500 | | Raw Beta | Adjusted Beta |
|------------|-------------|--------|----------|---------|----------|----------|---------------|
| | Return | Covar. | | Return | Variance | | |
| 1/2/2004 | 0.75% | 0.015% | 1,108.48 | 1.15% | | | |
| 12/26/2003 | 0.70% | 0.016% | 1,095.89 | 0.66% | | | |
| 12/19/2003 | 1.24% | 0.016% | 1,088.67 | 1.35% | | | |
| 12/12/2003 | 0.29% | 0.017% | 1,074.14 | 1.19% | | | |
| 12/5/2003 | 0.07% | 0.017% | 1,061.50 | 0.31% | | | |
| 11/28/2003 | 2.75% | 0.018% | 1,058.20 | 2.21% | | | |
| 11/21/2003 | -1.19% | 0.017% | 1,035.28 | -1.43% | | | |
| 11/14/2003 | 0.73% | 0.016% | 1,050.35 | -0.27% | | | |
| 11/7/2003 | -0.01% | 0.017% | 1,053.21 | 0.24% | | | |
| 10/31/2003 | 1.03% | 0.018% | 1,050.71 | 2.12% | | | |
| 10/24/2003 | 0.68% | 0.019% | 1,028.91 | -1.00% | | | |
| 10/17/2003 | -0.34% | 0.021% | 1,039.32 | 0.12% | | | |
| 10/10/2003 | 0.31% | 0.022% | 1,038.06 | 0.80% | | | |
| 10/3/2003 | 2.37% | 0.024% | 1,029.85 | 3.31% | | | |
| 9/26/2003 | -1.67% | 0.020% | 996.85 | -3.81% | | | |
| 9/19/2003 | 1.68% | 0.014% | 1,036.30 | 1.73% | | | |
| 9/12/2003 | 1.43% | 0.014% | 1,018.63 | -0.27% | | | |
| 9/5/2003 | 1.92% | 0.016% | 1,021.39 | 1.33% | | | |
| 8/29/2003 | 1.06% | 0.015% | 1,008.01 | 1.51% | | | |
| 8/22/2003 | -0.61% | 0.014% | 993.06 | 0.24% | | | |
| 8/15/2003 | 2.19% | 0.017% | 990.67 | 1.34% | | | |
| 8/8/2003 | -1.93% | 0.008% | 977.59 | -0.26% | | | |
| 8/1/2003 | -2.08% | 0.012% | 980.15 | -1.86% | | | |
| 7/25/2003 | 1.04% | 0.008% | 998.68 | 0.54% | | | |
| 7/18/2003 | -1.96% | 0.000% | 993.32 | -0.48% | | | |
| 7/11/2003 | | | 998.14 | | | | |

Source: Bloomberg Professional

BOND YIELD PLUS RISK PREMIUM

| | (1) | (2) | (3) |
|---------|------------|------------|---------|
| | Average | | |
| | Authorized | U.S. Govt. | |
| | Electric | 30-year | Risk |
| | ROE | Treasury | Premium |
| 1992.1 | 12.38% | 7.84% | 4.55% |
| 1992.2 | 11.83% | 7.88% | 3.94% |
| 1992.3 | 12.03% | 7.42% | 4.62% |
| 1992.4 | 12.14% | 7.54% | 4.60% |
| 1993.1 | 11.84% | 7.01% | 4.83% |
| 1993.2 | 11.64% | 6.86% | 4.78% |
| 1993.3 | 11.15% | 6.23% | 4.92% |
| 1993.4 | 11.04% | 6.21% | 4.84% |
| 1994.1 | 11.07% | 6.66% | 4.40% |
| 1994.2 | 11.13% | 7.45% | 3.68% |
| 1994.3 | 12.75% | 7.55% | 5.20% |
| 1994.4 | 11.24% | 7.95% | 3.29% |
| 1995.1 | 11.96% | 7.52% | 4.44% |
| 1995.2 | 11.32% | 6.87% | 4.45% |
| 1995.3 | 11.37% | 6.66% | 4.71% |
| 1995.4 | 11.58% | 6.14% | 5.45% |
| 1996.1 | 11.46% | 6.39% | 5.07% |
| 1996.2 | 11.46% | 6.92% | 4.54% |
| 1996.3 | 10.70% | 7.00% | 3.70% |
| 1996.4 | 11.56% | 6.54% | 5.02% |
| 1997.1 | 11.08% | 6.90% | 4.18% |
| 1997.2 | 11.62% | 6.88% | 4.73% |
| 1997.3 | 12.00% | 6.44% | 5.56% |
| 1997.4 | 11.06% | 6.04% | 5.02% |
| 1998.1 | 11.31% | 5.89% | 5.43% |
| 1998.2 | 12.20% | 5.79% | 6.41% |
| 1998.3 | 11.65% | 5.32% | 6.33% |
| 1998.4 | 12.30% | 5.11% | 7.20% |
| 1999.1 | 10.40% | 5.43% | 4.97% |
| 1999.2 | 10.94% | 5.82% | 5.12% |
| 1999.3 | 10.75% | 6.07% | 4.68% |
| 1999.4 | 11.10% | 6.31% | 4.79% |
| 2000.1 | 11.21% | 6.15% | 5.06% |
| 2000.2 | 11.00% | 5.95% | 5.05% |
| 2000.3 | 11.68% | 5.78% | 5.90% |
| 2000.4 | 12.50% | 5.62% | 6.88% |
| 2001.1 | 11.38% | 5.42% | 5.96% |
| 2001.2 | 10.88% | 5.77% | 5.11% |
| 2001.3 | 10.76% | 5.44% | 5.32% |
| 2001.4 | 11.57% | 5.21% | 6.36% |
| 2002.1 | 10.05% | 5.55% | 4.50% |
| 2002.2 | 11.41% | 5.57% | 5.83% |
| 2002.3 | 11.25% | 4.96% | 6.29% |
| 2002.4 | 11.57% | 4.93% | 6.63% |
| 2003.1 | 11.43% | 4.78% | 6.65% |
| 2003.2 | 11.16% | 4.57% | 6.60% |
| 2003.3 | 9.88% | 5.15% | 4.72% |
| 2003.4 | 11.09% | 5.11% | 5.98% |
| 2004.1 | 11.00% | 4.86% | 6.14% |
| 2004.2 | 10.64% | 5.31% | 5.33% |
| 2004.3 | 10.75% | 5.01% | 5.74% |
| 2004.4 | 10.91% | 4.87% | 6.04% |
| 2005.1 | 10.56% | 4.69% | 5.87% |
| 2005.2 | 10.13% | 4.34% | 5.78% |
| 2005.3 | 10.85% | 4.43% | 6.41% |
| 2005.4 | 10.59% | 4.66% | 5.93% |
| 2006.1 | 10.38% | 4.69% | 5.69% |
| 2006.2 | 10.63% | 5.19% | 5.44% |
| 2006.3 | 10.06% | 4.90% | 5.16% |
| 2006.4 | 10.33% | 4.70% | 5.64% |
| 2007.1 | 10.39% | 4.81% | 5.58% |
| 2007.2 | 10.27% | 4.98% | 5.28% |
| 2007.3 | 10.02% | 4.85% | 5.16% |
| 2007.4 | 10.36% | 4.53% | 5.83% |
| 2008.1 | 10.37% | 4.34% | 6.03% |
| 2008.2 | 10.54% | 4.57% | 5.97% |
| 2008.3 | 10.38% | 4.44% | 5.95% |
| 2008.4 | 10.36% | 3.49% | 6.86% |
| 2009.1 | 10.46% | 3.62% | 6.85% |
| 2009.2 | 10.58% | 4.23% | 6.34% |
| 2009.3 | 10.46% | 4.18% | 6.28% |
| 2009.4 | 10.54% | 4.35% | 6.19% |
| 2010.1 | 10.66% | 4.59% | 6.08% |
| 2010.2 | 10.08% | 4.20% | 5.87% |
| 2010.3 | 10.34% | 3.73% | 6.61% |
| 2010.4 | 10.34% | 4.14% | 6.20% |
| 2011.1 | 10.32% | 4.53% | 5.80% |
| 2011.2 | 10.23% | 4.33% | 5.90% |
| 2011.3 | 10.13% | 3.54% | 6.58% |
| AVERAGE | 11.02% | 5.54% | 5.48% |
| MEDIAN | 11.00% | 5.32% | 5.56% |



SUMMARY OUTPUT

| Regression Statistics | |
|-----------------------|----------|
| Multiple R | 0.813884 |
| R Square | 0.662408 |
| Adjusted R Square | 0.658023 |
| Standard Error | 0.004883 |
| Observations | 79 |

| ANOVA | | | | | |
|------------|----|----------|----------|------------|----------------|
| | df | SS | MS | F | Significance F |
| Regression | 1 | 0.003603 | 0.003603 | 151.085792 | 0.000000 |
| Residual | 77 | 0.001836 | 0.000024 | | |
| Total | 78 | 0.005439 | | | |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% |
|-----------------------------|--------------|----------------|------------|----------|-----------|-----------|
| Intercept | 0.087873 | 0.002747 | 31.985968 | 0.000000 | 0.082402 | 0.093343 |
| U.S. Govt. 30-year Treasury | -0.597197 | 0.048585 | -12.291696 | 0.000000 | -0.693943 | -0.500451 |

| | [7] | [8] | [9] |
|--|-----------------------------------|-----------------|-------------------|
| | U.S. Govt. 30-year Treasury | Risk Premium | Authorized ROE |
| Current 30-Day Average [4] | 3.09% | 6.94% | 10.03% |
| Blue Chip Consensus Forecast (Q4 2011-Q1 2013) [5] | 3.60% | 6.64% | 10.24% |
| Blue Chip Consensus Forecast (2013-2022) [6] | 5.65% | 5.41% | 11.06% |
| AVERAGE | | | 10.44% |

Notes:

- [1] Source: Regulatory Research Associates, accessed November 14, 2011
[2] Source: Bloomberg Professional, quarterly bond yields are the average of the last trading day of each month in the quarter
[3] Equals Column [1] - Column [2]
[4] Source: Bloomberg Professional
[5] Source: Blue Chip Financial Forecasts, Vol. 30, No. 10, October 1, 2011, at 2
[6] Source: Blue Chip Financial Forecasts, Vol. 30, No. 6, June 1, 2011, at 14
[7] See notes [4], [5] & [6]
[8] Equals $0.087873 + (-0.597197 \times \text{Column [7]})$
[9] Equals Column [7] + Column [8]

PROXY GROUP MEDIAN MARKET CAPITALIZATION

| Company Name (Ticker) | Ticker | [1] Customers (Mil) | [2] Market Cap. (\$Bil) | [3] Market-to- Book Ratio |
|--------------------------|--------|---------------------------|-------------------------------|---------------------------------|
| American Electric Power | AEP | 5.22 | 18.44 | 1.28 |
| Cleco Corp. | CNL | 0.28 | 2.14 | 1.51 |
| Great Plains Energy Inc. | GXP | 0.82 | 2.72 | 0.92 |
| Hawaiian Electric | HE | 0.43 | 2.37 | 1.55 |
| IDACORP, Inc. | IDA | 0.49 | 1.95 | 1.19 |
| Pinnacle West Capital | PNW | 1.11 | 4.82 | 1.26 |
| Portland General | POR | 0.82 | 1.80 | 1.09 |
| Southern Co. | SO | 4.40 | 36.62 | 2.10 |
| Westar Energy | WR | 0.69 | 3.10 | 1.22 |
| MEDIAN | | 0.82 | \$2.72 | 1.26 |
| MEAN | | 1.58 | \$8.22 | 1.35 |

SIZE PREMIUM CALCULATION

| | |
|---|------------|
| Delmarva Delaware Common Equity (\$Mil) | 281.76 [3] |
| Median Market to Book for Proxy Group | 1.26 |
| Delmarva Delaware Implied Market Capitalization (\$Mil) | 356.03 |

Market Capitalization (in \$millions)

| Decile | Low | High | Size Premium [4] |
|---|--------------|---------------|---------------------|
| 2 | \$ 6,895.258 | \$ 15,079.529 | 0.81% |
| 3 | \$ 3,714.445 | \$ 6,793.876 | 1.01% |
| 4 | \$ 2,512.137 | \$ 3,710.985 | 1.20% |
| 5 | \$ 1,778.756 | \$ 2,509.152 | 1.81% |
| 6 | \$ 1,214.679 | \$ 1,775.966 | 1.82% |
| 7 | \$ 772.795 | \$ 1,212.260 | 1.88% |
| 8 | \$ 478.102 | \$ 771.789 | 2.65% |
| 9 | \$ 235.725 | \$ 477.539 | 2.94% |
| 10 | \$ 1.222 | \$ 235.647 | 6.36% |
| Proxy Group Median | | \$ 2,717.791 | 1.20% |
| Delmarva Delaware Implied Market Capitalization | | \$ 356.034 | 2.94% |
| Difference from Proxy Group Median | | | 1.74% [5] |

Notes:

[1] Source: SNL Financial; includes electric and gas customers

[2] Source: Bloomberg; equals 30-day average as of October 31, 2011

[3] Source: Proposed average rate base; Recommended capital structure

[4] Source: 2011 Ibbotson Risk Premia Over Time Report; Estimates for 1926 - 2010, p 4.

[5] Equals 2.94% - 1.20%

PROXY GROUP COMPANIES' REGULATORY RANKING BY JURISDICTION

| | | [1] | [2] |
|---------------------------------------|---------------|-------------------------|---------------------------|
| | | S&P | |
| | | Rank | Numeric Rank |
| American Electric Power Company, Inc. | Arkansas | Credit supportive | 3 |
| | Indiana | More credit supportive | 4 |
| | Kentucky | Credit supportive | 3 |
| | Louisiana | Less credit supportive | 2 |
| | Michigan | Credit supportive | 3 |
| | Ohio | Credit supportive | 3 |
| | Oklahoma | Credit supportive | 3 |
| | Tennessee | NA | NA |
| | Texas | Less credit supportive | 2 |
| | Virginia | Credit supportive | 3 |
| | West Virginia | Less credit supportive | 2 |
| Cleco Corp. | Louisiana | Less credit supportive | 2 |
| Great Plains Energy Inc. | Kansas | Credit supportive | 3 |
| | Missouri | Less credit supportive | 2 |
| Hawaiian Electric | Hawaii | Less credit supportive | 2 |
| IDACORP, Inc. | Idaho | Credit supportive | 3 |
| | Oregon | Credit supportive | 3 |
| Pinnacle West Capital | Arizona | Least credit supportive | 1 |
| Portland General Electric Company | Oregon | Credit supportive | 3 |
| Southern Company | Alabama | More credit supportive | 4 |
| | Florida | Credit supportive | 3 |
| | Georgia | More credit supportive | 4 |
| | Mississippi | Credit supportive | 3 |
| Westar Energy | Kansas | Credit supportive | 3 |
| Proxy Group Average | | | 2.78 |
| Delmarva | | Delaware | Least credit supportive 1 |

Notes

[1] Source: Standard & Poor's Rating Service, Assessing U.S. Utility Regulatory Environments, March 12, 2010, at 1-2

[2] Most Credit Supportive = 5, More Credit Supportive = 4, Credit Supportive = 3, Less Credit Supportive = 2, Least Credit Supportive = 1

FLOTATION COST ADJUSTMENT

Two most recent common stock issuances per company, if available

| Company | Date | Shares Issued | Offering Price | Under- writing Discount | Offering Expense | Net Proceeds Per Share | Total Flotation | | Gross Equity | | Flotation Cost | |
|---------------------------------------|-----------|------------------|-------------------|-------------------------------|---------------------|------------------------------|-----------------|-----------------|-----------------|------------|-------------------|--|
| | | | | | | | Costs | Issue Before | Costs | Percentage | | |
| Pepco Holdings, Inc. | 11/6/2008 | 16,100,000 | \$16.50 | \$0.6188 | \$200,000 | \$15.87 | \$10,161,875 | \$265,650,000 | \$255,488,125 | 3.825% | | |
| Pepco Holdings, Inc. | 9/9/2004 | 14,950,000 | \$19.25 | \$0.6738 | \$200,000 | \$18.56 | \$10,273,310 | \$287,787,500 | \$277,514,190 | 3.570% | | |
| American Electric Power Company, Inc. | 4/1/2009 | 69,000,000 | \$24.50 | \$0.7350 | \$400,000 | \$23.76 | \$51,115,000 | \$1,690,500,000 | \$1,639,385,000 | 3.024% | | |
| American Electric Power Company, Inc. | 2/27/2003 | 57,500,000 | \$20.95 | \$0.6285 | \$550,000 | \$20.31 | \$36,688,750 | \$1,204,625,000 | \$1,167,936,250 | 3.046% | | |
| Cleco Corp. | 8/14/2006 | 6,900,000 | \$23.75 | \$0.8900 | \$225,000 | \$22.83 | \$6,366,000 | \$163,875,000 | \$157,509,000 | 3.885% | | |
| Cleco Corp. | 11/9/2004 | 2,000,000 | \$18.50 | \$0.6475 | \$200,000 | \$17.75 | \$1,495,000 | \$37,000,000 | \$35,505,000 | 4.041% | | |
| Great Plains Energy Inc. | 5/12/2009 | 11,500,000 | \$14.00 | \$0.4900 | \$500,000 | \$13.47 | \$6,135,000 | \$161,000,000 | \$154,865,000 | 3.811% | | |
| Great Plains Energy Inc. | 5/18/2006 | 7,002,450 | \$27.50 | \$0.8938 | \$500,000 | \$26.53 | \$6,758,790 | \$192,567,375 | \$185,808,585 | 3.510% | | |
| Hawaiian Electric Industries, Inc. | 12/2/2008 | 5,750,000 | \$23.00 | \$0.8625 | \$300,000 | \$22.09 | \$5,259,375 | \$132,250,000 | \$126,990,625 | 3.977% | | |
| Hawaiian Electric Industries, Inc. | 3/10/2004 | 2,300,000 | \$51.86 | \$2.0744 | \$150,000 | \$49.72 | \$4,921,120 | \$119,278,000 | \$114,356,880 | 4.126% | | |
| IDACORP, Inc. | 12/9/2004 | 4,025,000 | \$30.00 | \$1.2000 | \$300,000 | \$28.73 | \$5,130,000 | \$120,750,000 | \$115,620,000 | 4.248% | | |
| Pinnacle West Capital Corp. | 4/8/2010 | 6,900,000 | \$38.00 | \$1.3300 | \$190,000 | \$36.64 | \$9,367,000 | \$262,200,000 | \$252,833,000 | 3.572% | | |
| Pinnacle West Capital Corp. | 4/27/2005 | 6,095,000 | \$42.00 | \$1.3650 | \$250,000 | \$40.59 | \$8,568,675 | \$255,990,000 | \$247,420,325 | 3.348% | | |
| Portland General Electric Company | 3/5/2009 | 12,477,000 | \$14.10 | \$0.4935 | \$375,000 | \$13.58 | \$6,532,400 | \$175,925,700 | \$169,393,301 | 3.713% | | |
| Portland General Electric Company | 6/12/2007 | 23,658,106 | \$26.00 | \$0.7800 | \$700,000 | \$25.19 | \$19,153,323 | \$615,110,756 | \$595,957,433 | 3.114% | | |
| Southern Company | 12/6/2000 | 28,750,000 | \$28.50 | \$0.9200 | \$490,000 | \$27.56 | \$26,940,000 | \$819,375,000 | \$792,435,000 | 3.288% | | |
| Westar Energy, Inc. | 11/4/2010 | 8,625,000 | \$25.54 | \$0.8939 | \$250,000 | \$24.62 | \$7,959,888 | \$220,282,500 | \$212,322,613 | 3.613% | | |
| Westar Energy, Inc. | 5/29/2008 | 6,900,000 | \$24.28 | \$0.8498 | \$325,000 | \$23.38 | \$6,188,620 | \$167,532,000 | \$161,343,380 | 3.694% | | |
| | | | | | | | \$229,015,124 | \$6,891,698,831 | \$6,662,683,707 | 3.323% | | |

The flotation adjustment is derived by dividing the dividend yield by $1 - F$ (where F = flotation costs expressed in percentage terms), or by 0.9668, and adding that result to the constant growth rate to determine the cost of equity. Using the formulas shown previously in my testimony, the Constant Growth DCF calculation is modified as follows to accommodate an adjustment for flotation costs:

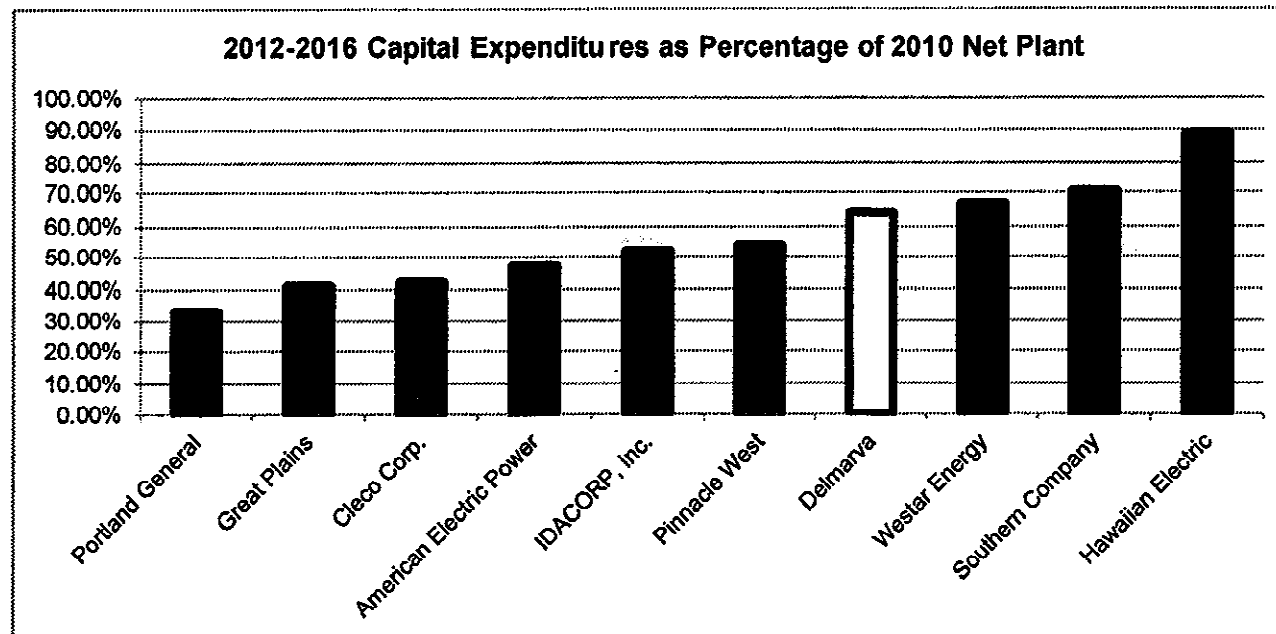
$$k = \frac{D \times (1 + 0.5g)}{P \times (1 - F)} + g$$

FLOTATION COST ADJUSTMENT

| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] | [11] |
|---------------------------------------|--------|---------------------|-------------|----------------|------------|----------------------------|-----------------------|----------------------------|-------------------------|--------|------------------------|
| Company | Ticker | Annualized Dividend | Stock Price | Dividend Yield | Expected | First Call Earnings Growth | Zacks Earnings Growth | Value Line Earnings Growth | Average Earnings Growth | DCF | Flotation Adjusted DCF |
| | | | | | Div. Yield | | | | | | |
| American Electric Power Company, Inc. | AEP | \$1.88 | \$38.23 | 4.92% | 5.20% | 4.31% | 4.00% | 4.50% | 4.27% | 9.29% | 9.47% |
| Cleco Corp. | CNL | \$1.25 | \$35.07 | 3.66% | 3.79% | 3.00% | 7.00% | 6.00% | 5.33% | 8.99% | 9.12% |
| Great Plains Energy Inc. | GXP | \$0.83 | \$19.98 | 4.15% | 4.43% | 5.80% | 6.50% | 6.00% | 6.10% | 10.38% | 10.53% |
| Hawaiian Electric Industries, Inc. | HE | \$1.24 | \$24.67 | 5.03% | 5.44% | 8.60% | 8.60% | 11.00% | 9.40% | 14.66% | 14.84% |
| IDACORP, Inc. | IDA | \$1.20 | \$39.18 | 3.06% | 3.24% | 4.67% | 4.70% | 4.00% | 4.46% | 7.59% | 7.70% |
| Pinnacle West Capital Corp. | PNW | \$2.10 | \$44.18 | 4.75% | 5.06% | 6.25% | 5.30% | 6.00% | 5.85% | 10.74% | 10.91% |
| Portland General Electric Company | POR | \$1.06 | \$23.91 | 4.43% | 4.72% | 5.32% | 5.00% | 7.50% | 5.94% | 10.50% | 10.66% |
| Southern Company | SO | \$1.89 | \$42.70 | 4.43% | 4.71% | 5.95% | 5.10% | 6.00% | 5.68% | 10.24% | 10.39% |
| Westar Energy, Inc. | WR | \$1.28 | \$26.74 | 4.79% | 5.12% | 5.18% | 6.10% | 8.50% | 6.59% | 11.54% | 11.71% |
| MEAN | | | | | | | | | | 10.44% | 10.59% |
| | | | | | | | | | | | 0.15% |

Notes:

- [1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 30-day average as of October 31, 2011
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [9])
[5] Equals [4] / (1 - Flotation Cost)
[6] Source: Yahoo! Finance
[7] Source: Zacks
[8] Source: Value Line
[9] Equals Average ([6], [7], [8])
[10] Equals [4] + [9]
[11] Equals [5] + [9]
[12] Equals Average of [11] - Average of [10]



| <i>Projected CAPEX / 2010 Net Plant</i> | |
|---|--------------------------------|
| Company | 2012-2016^[1] |
| Portland General | 33.36% |
| Great Plains | 41.21% |
| Cleco Corp. | 42.30% |
| American Electric Power | 47.29% |
| IDACORP, Inc. | 52.20% |
| Pinnacle West | 54.10% |
| Delmarva | 64.22% |
| Westar Energy | 66.71% |
| Southern Company | 70.59% |
| Hawaiian Electric | 89.07% |
| Proxy Group Mean | 55.20% |

Notes:

Source: Proxy group data from Value Line; Delmarva data from the Company.

[1] Value Line projects capital expenditures for 2012 and 2014-2016. 2013 is estimated as average of 2012 and 2014.

Revenue Adjustment Mechanisms in Effect at Utility Subsidiaries of the Proxy Group

Contents

| | |
|--|----|
| American Electric Power (AEP)..... | 2 |
| Cleco Corporation (CNL) | 9 |
| Great Plains Energy, Inc. (GXP)..... | 10 |
| Hawaiian Electric Industries, Inc. (HE)..... | 11 |
| IDACORP, Inc. (IDA) | 12 |
| Pinnacle West Capital (PNW) | 13 |
| Portland General (POR) | 14 |
| Southern Company (SO) | 16 |
| Westar Energy (WR) | 19 |

American Electric Power (AEP)

| AEP Texas Central Company | |
|--|--|
| Rider NDC- Nuclear Decommissioning Collections | The Nuclear Decommissioning Charges collected under this rider are transferred to a trust that will hold the funds for future nuclear plant decommissioning. [Tariff Sheets 177-180] |
| Schedule TCRF- Transmission Cost Recovery Factor | Each retail customer connected to the Company's transmission or distribution system will be assessed a non-by-passable transmission service charge adjustment pursuant to this rider. [Tariff Sheet 182] |
| Rider EECRF- Energy Efficiency Cost Recovery Factors | This Rider recovers the cost of energy efficiency programs not already included in base distribution service rates and is applicable to the kWh sales of retail customers taking retail electric delivery service from the Company. [Tariff Sheet 184-1] |
| Rider AMSCRF- Advanced Metering System Cost Recovery Fee | This Rider is applicable to retail customers receiving metered service for which the Company will install an advanced metering system during the recovery period approved by the PUCT. [Tariff Sheet 189] |
| AEP Texas North Company | |
| Schedule TCRF- Transmission Cost Recovery Factor- ERCOT System | Each retail customer connected to the Company's transmission or distribution system will be assessed a non-by-passable transmission service charge adjustment. {Tariff Sheet 137} |
| Rider AMSCRF- Advanced Metering System Cost Recovery Fee | This Rider is applicable to retail customers receiving metered service for which the Company will install an Advanced Metering Infrastructure system during the recovery period approved by the PUCT. {Tariff Sheet 141-1} |
| Rider EECRF- Energy Efficiency Cost Recovery Factors | This Rider recovers the cost of energy efficiency programs not already included in base distribution service rates and is applicable to the kWh sales of retail customers taking retail electric delivery service from the Company. {Tariff Sheet 141-1} |
| Kingsport Power Company – Tennessee | |
| Purchased Power Adjustment Rider | Kingsport Power is authorized under this rider to apply a surcharge to all customer bills to allow for changes in the non-fuel cost of purchased power from the Company's wholesale power supplier. {Tariff Sheet 2-8} |
| Fuel Clause Rider | Kingsport Power is authorized under this rider to adjust customers' bills each month when the unit cost of fuel purchased under FERC Rate Schedule No. 23 from Appalachian Power Company is above or below a set value. {Tariff Sheet 2-11} |
| Appalachian Power Company- Virginia | |
| Sale and Use Tax Surcharge | A sales and use tax surcharge shall be applied to all customer bills to reflect the estimated sales and tax the company expects to pay in the coming year. [Tariff Sheet 25] |

| | |
|--|--|
| Fuel Factor Rider | This rider allows the Company to recover its cost of fuel used in generation of electricity. [Tariff Sheet 29] |
| Transmission Rate Adjustment Clause Rider | The Transmission Rate Adjustment Rider will be applied to all standard customer bills rendered under the applicable standard schedules or special contracts. This Rider allows the Company to recover transmission related investment. [Tariff Sheet 33] |
| Wheeling Power Company - West Virginia | |
| Construction / 765 kV Surcharge | A construction surcharge is applied to customers' bills (effective July 2011 to June 2012), including both the energy and demand component of rates, to recover costs associated with the construction of new transmission lines. [Tariff Sheet 27] |
| Schedule L.E.- Line Extensions | Customers are charged for line extensions based on installed extensions on a monthly basis. [Tariff Sheet 32-1] |
| Energy Efficiency / Demand Response Cost Recovery Rider | This rider collects energy efficiency and demand response costs through a bill adjustment, by rate schedule, using a specified adjustment factor per kWh. [Tariff Sheet 33] |
| Southwestern Electric Power Company- Arkansas Jurisdiction | |
| Energy Cost Recovery Rider (ECR) | The Energy Cost Rate recovers the Company's net fuel and purchased energy cost. [Tariff Sheet R-27.1] |
| Charges for Special or Additional Facilities | In the event facilities in excess of a normal installation are found to be required to serve the Customer's load, or are requested by the Customer and approved by the Company, the Company is required to furnish, install, and maintain such facilities with a monthly charge to the Customer. [Tariff Sheet R-29.1] |
| Redundant Service Policy for Municipal Accounts | Certain customers are charged additional fees for redundant service. Additional charges are based on consumption. [Tariff Sheet R-34.1] |
| Extension of Facilities Agreement | This Rider provides for cost recovery of Company investment in the extension of facilities when the revenue generated from such investment will not cover the entire cost. [Tariff Sheet R-35.1] |
| Radio Frequency Meter Installation Rider | A customer may request (or elect upon request by the Company) to have a radio frequency meter installed under the terms of this Rider as a mutually agreeable solution to Company personnel's lack of meter reading access to Company metering equipment on a customer's premises, due to a locked gate, animal concern, safety concern or other reason. This Rider lays out the one-time, non-refundable installation fee from the customer to the Company. [Tariff Sheet 42-1] |
| Energy Efficiency Cost Rate Rider (EECR) | The purpose of this Rider is to establish the EECR rate(s) by which the Company will recover the incremental costs of energy efficiency programs approved by the Commission. [Tariff Sheet R-45.1] |
| Federal Litigation Consulting Fee Rider | The Federal Litigation Consulting Fee Rate enables the Company to recover the fees and expenses paid by the Company to contract attorneys and consultants retained by the Arkansas Public Service Commission, as authorized by the General Assembly, when it participates in litigation before a federal agency or federal court in proceedings that affect the Company. [Tariff Sheet R-46.1] |

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| Alternative Generation Recovery Rider | This Generation Recovery Rider is designed to adjust monthly billings to recover costs associated with the Stall Generating Facility. The Rider is designed to recover return on and of the generation facility and operation and maintenance expenditures after the facility commences commercial operation. [Tariff Sheet 47.1] |
| Southwestern Electric Power Company- Louisiana Jurisdiction | |
| Off-Peak Service Rider to the Lighting and Power Service Schedule and Metal Melting Service Schedule | This rider is available to customers receiving electric service under either the Lighting and Power Service or the Metal Melting Service schedule when prearrangement has been made by contract for the installation of adequate facilities, including appropriate metering. Customers who contract for service under this rider will be billed a Customer Charge of \$70.00 per month to help defray the additional costs incurred by the Company in providing service hereunder. [Tariff Section B, Sheet 2] |
| Fuel Adjustment Rider | All kilowatt-hours sold will be adjusted to reflect the current cost of fuel. This Rider recovers the net cost of fuel consumed in the Company's generating plants, plus the net cost of purchased economy and emergency energy, as well as energy purchased from qualifying small production or cogeneration facilities. [Tariff Section B, Sheet 8] |
| Charges for Special or Additional Facilities | In the event facilities in excess of a normal installation are found to be required to serve the Customer's load, or are requested by the Customer and approved by the Company, the Company is required to furnish, install, and maintain such facilities with a monthly charge to the Customer. [Tariff Section B, Sheet 10] |
| Rider for Radio Frequency Meter Installation | A customer may request (or elect upon request by the Company) to have a radio frequency meter installed under the terms of this Rider as a mutually agreeable solution to Company personnel's lack of meter reading access to Company metering equipment on a customer's premises, due to a locked gate, animal concern, safety concern or other reason. This Rider lays out the one-time, non-refundable installation fee from the customer to the Company. Tariff Section B, Sheet 13] |
| Formula Rate Plan Rider Schedule (FRP) | The Formula Rate Plan Rider defines the procedure by which the rates contained in the Company rate schedules may be periodically adjusted. The FRP stipulates an authorized rate of return with a bandwidth. [Tariff Section B, Sheet 14] |
| Southwestern Electric Power Company- East Texas Jurisdiction | |
| Fixed Fuel Factor Tariff | The Fixed Fuel Factor provides for the recovery of the net costs of fuel used to procure electricity for retail customers. [Tariff Section IV, Sheet IV-34] |
| Energy Efficiency Cost Recovery Rider | This Rider recovers the cost of energy efficiency programs not included in base rates. [Tariff Section IV, Sheet IV-35] |
| Purchased Power and Conservation Factor (PPCF) | This rider covers the costs of demand-side management resources and renewable energy resources that are approved for PPCF cost recovery by the Commission but are not recovered in base rates. [Tariff Section IV, Sheet IV-36] |
| Southwestern Electric Power Company- North Texas Jurisdiction | |
| Fixed Fuel Factor Rider | This Rider allows for the recovery of the fixed costs related to fuel procurement for power production. [Tariff Section IV, Sheet IV-34] |

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| Energy Efficiency Cost Recovery Rider | This Rider recovers the cost of energy efficiency programs not included in base rates. [Tariff Section IV, Sheet IV-35] |
| Columbus Southern Power Company – Ohio | |
| Universal Service Fund Rider | All electric utility customers pay into a universal service fund to help balance the difference between what PIPP (Percentage of Income Payment Plan) customers pay and the charges for their actual use. [Tariff Sheet 60-1 and RRA Commission summary] |
| Provider of Last Resort Charge Rider | This Rider allows the Company to recoup the costs related to the obligation to customers to be the provider of last resort. [Tariff Sheet 69-1] |
| Monongahela Power Litigation Termination Rider | This temporary Rider shall remain in effect until the amounts authorized by the Commission in Case No. 05-765-EL-UNC have been collected. [Tariff Sheet 73-1] |
| Transmission Cost Recovery Rider | This Rider allows the Company to recover the costs associated with transmission investment that are not recovered in base rates. [Tariff Sheet 75-1 and RRA Commission summary] |
| Fuel Adjustment Clause Rider | The Fuel Adjustment Clause Rider permits the Company to pass along to customers the net actual cost of fuel used in power procurement. [Tariff Sheet 80-1 and RRA Commission summary] |
| Energy Efficiency and Peak Demand Reduction Cost Recovery Rider | The Energy Efficiency and Peak Demand Reduction Cost Recovery charge provides for the recovery of costs related to energy efficiency programs and demand side management programs used to attenuate peak demand. [Tariff Sheet 81-1] |
| Enhanced Service Reliability Rider | The Enhanced Service Reliability Riders allows for the recovery of costs associated with improvements made to the reliability and integrity of the distribution system. [Tariff Sheet 83-1] |
| gridSMART Rider | This Rider recovers the cost of purchasing and installing SMART technology. [Tariff Sheet 84-1] |
| Economic Development Cost Recovery Rider | Recovery of economic development costs authorized by the Commission. [Tariff Sheet 82-1] |
| Environmental Investment Carrying Cost Rider | The Environmental Investment Carrying Cost Rider recovers Commission approved costs through a set percentage charge applied to the customer's Non-Fuel generation charges, excluding charges under other applicable Riders. [Tariff Sheet 85-1] |
| Ohio Power Company | |
| Universal Service Fund Rider | All electric utility customers pay into a universal service fund to help balance the difference between what PIPP (Percentage of Income Payment Plan) customers pay and the charges for their actual use. [Tariff Sheet 60-1 and RRA Commission summary] |
| Provider of Last Resort Charge Rider | This Rider allows the Company to recoup the costs related to the obligation to customers to be the provider of last resort. [Tariff Sheet 69-1] |
| Transmission Cost Recovery Rider | This Rider allows the Company to recover the costs associated with transmission investment that are not recovered in base rates. [Tariff Sheet 75-1] |

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| Fuel Adjustment Clause Rider | The Fuel Adjustment Clause Rider permits the Company to pass along to customers the net actual cost of fuel used in power procurement. [Tariff Sheet 80-1 and RRA Commission summary]] |
| Energy Efficiency and Peak Demand Reduction Cost Recovery Rider | The Energy Efficiency and Peak Demand Reduction Cost Recovery Rider provides for the recovery of costs related to energy efficiency programs and demand side management programs used to reduce peak demand. [Tariff Sheet 81-1] |
| Enhanced Service Reliability Rider | The Enhanced Service Reliability Rider allows for the recovery of costs associated with improvements made to the reliability and integrity of the distribution system. [Tariff Sheet 83-1] |
| Economic Development Cost Recovery Rider | Recovery of economic development costs authorized by the Commission. [Tariff Sheet 82-1] |
| Environmental Investment Carrying Cost Rider | The Environmental Investment Carrying Cost Rider recovers Commission approved costs through a set percentage charge applied to the customer's Non-Fuel generation charges, excluding charges under other applicable Riders. [Tariff Sheet 85-1] |
| Indiana Michigan Power Company- Indiana Jurisdiction | |
| Fuel Cost Adjustment Rider | <p>The Fuel Cost Adjustment Clause Rider permits the Company to pass along to customers the net actual cost of fuel used in power procurement.</p> <p>The costs eligible for recovery include the average cost of fossil and nuclear fuel consumed at the Company's own plants, plus net purchased power costs, and nuclear fuel disposal costs. [Tariff Sheet 50]</p> |
| Demand-Side Management/ Energy Efficiency Program Cost Rider | This Rider allows for cost recovery associated with demand-side management and energy efficiency programs. [Tariff Sheet 51] |
| PJM Cost Rider | This adjustment allows for the recovery of demand-related and energy-related costs related to PJM. [Tariff Sheet 53] |
| Environmental Compliance Cost Rider | This Rider allows for the recovery of environmental compliance costs not included in base rates. [Tariff Sheet 54] |
| Clean Coal Technology Rider | The Clean Coal Technology Rider (CTTR) provides for the cost recovery of the revenue requirement associated with CCTR investment, depreciation expense on in-service CCTR property, operation and maintenance expenses on CCTR property, and costs of consumables and chemical agents. [Tariff Sheet 55] |
| Off-System Sales Margin Sharing Rider | This rider provides for the sharing of off-system sales margins through a per kWh adjustment to applicable customer bills. The adjustment for each tariff class is based upon a specified cost sharing factor calculation. [Tariff Sheet 52] |
| Indiana Michigan Power Company – Michigan Jurisdiction | |

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| NDS- Nuclear Decommissioning Surcharge Rider | The Nuclear Decommissioning Surcharge Rider provides for cost recovery of future nuclear decommissioning costs. The charge is a per kWh charge by rate class. [Tariff Sheet 108] |
| CC- Customer Choice Cost Recovery | This rider recovers costs incurred to implement Customer Choice in Michigan. [Tariff Sheet 109] |
| EO- Energy Optimization Surcharge Rider | The Energy Optimization surcharge funds energy optimization programs conducted by a Commission-approved energy optimization program administrator. [Tariff Sheet 107] |
| Power Supply Cost Recovery | This clause permits the monthly adjustment of rates to recover the booked costs, including transportation costs, reclamation costs, and disposal and reprocessing costs, of fuel burned for electric generation, the booked costs of purchased and net interchange power transactions and the cost of transmission service incurred under reasonable and prudent policies and practices. [Tariff Sheet 104] |
| Net Lost Revenue Recovery Surcharge | The Commission approved settlement of Case No. U-16180 authorized the creation of a regulatory asset for the Net Lost Revenue associated with lost sales that are caused by the Company's energy optimization program. The lost revenue is to be recovered through this rider. [Order approving settlement] |
| Kentucky Power Company | |
| Fuel Adjustment Clause | The Fuel Adjustment clause allows for the recovery of fossil fuel and nuclear fuel consumed in the utility's own plants and the net costs of purchased power. This periodic adjustment allows for the recovery of the difference between actual fuel costs and sales. [Tariff Sheet 5-1] |
| Demand-Side Management Adjustment Clause | The Demand-Side Management Clause allows for the recovery of demand-side management programs, net lost revenues, incentives, and any over/under recovery balances. [Tariff Sheet 22-1] |
| Environmental Surcharge | The environmental surcharge provides for monthly adjustments based on the difference between the environmental compliance costs in a base period and the current period. [Tariff Sheet 29-1] |
| Capacity Charge | Kentucky Power Company is to recover from retail ratepayers the supplemental annual payments tied to the 18-year extension of the Rockpower Unit Power Agreement. The Company will apply surcharges under this Rider designed to enable the recovery from each tariff class of customers. [Tariff Sheet 28-1] |
| System Sales Clause | When the monthly net revenues from system sales are above or below the monthly base net revenues from system sales, as specified, an additional charge or credit is implemented based on a kWh system sales adjustment factor. [Tariff Sheet 19-1] |

| Public Service Company of Oklahoma | |
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| Fuel Cost Adjustment Rider | The Fuel Cost Adjustment Rider allows for the recovery of the cost of fuel used in generation of electric services plus net purchased power costs. [Tariff Sheet 70-1A] |
| Regulatory Assessment Rider | This Rider allows for the recovery of an annual assessment as billed by the Commission, and applies to all retail monthly customer billings. [Tariff Sheet 73] |
| Reliability Vegetation/Undergrounding Rider | The RVU Factor is determined on a quarterly basis for each major rate class to incorporate the previous quarter's Eligible Reliability Costs expended and adjusted by any over or under recovery of costs from the previous three month billing period and applied to the billings for the next quarter. This rider allows for the recovery of reliability costs associated with vegetation management not included in base rates. [Tariff Sheet 80-1A] |
| Purchased Power Capacity Rider | The Purchased Power Capacity Adjustment Rider allows for recovery of purchased power capacity costs. [Tariff Sheet 87] |
| Demand-Side Management Cost Recovery Rider | The DSM Rider is designed to recover costs associated with Energy Efficiency and Demand-side Management programs. [Tariff Sheet 85-1A] |
| Regulatory Asset Recovery Rider | The RAR Rider is designed to recover costs associated with extraordinary operation and maintenance expenses resulting from the January and December 2007 ice storms. [Tariff Sheet 86-1] |
| Long-Term Base Load Purchased Power Rider | The BLPP Rider is designed to recover all costs associated with a particular contract, and with recovery of the one-time RFP costs. [Tariff Sheet 88-1] |

Cleco Corporation (CNL)

| Cleco Power (Louisiana) | |
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| Fuel Cost Adjustment (FAC) | Monthly adjustment to recover the actual cost of fuel and purchased power (energy only). The demand component of purchased power costs related to "economy" purchases (entered into when the price of purchased power is less than the cost of the Company's own generation) may also be recovered through the FAC. Any off-system sales of power are credited through this mechanism. [RRA Commission summary] |
| Storm Recovery Charge Adjustment | This adjustment recovers applicable storm restoration costs approved by the Louisiana Public Service Commission. This adjustment is reconciled semi-annually. [Cleco Power tariff] |
| Formula Rate Plan (FRP) | The Formula Rate Plan, which was approved in 2010 for an initial four-year term, has a target ROE and capital structure. The FRP also allows for recovery of certain purchased power capacity costs and the costs associated with certain infrastructure projects. The FRP also includes an "exceptional changes mechanism", whereby certain rate changes could be made for circumstances beyond the Company's control. [RRA Commission summary] |
| Environmental Cost Adjustment | This adjustment provides for the recovery of certain costs of environmental compliance as an adder to customers' bills. The costs eligible for recovery are prudently incurred air emissions credits associated with complying with federal, state, and local air emission regulations and variable emission mitigation costs. [RRA Commission summary] |

Great Plains Energy, Inc. (GXP)

| KCP&L (Kansas) | |
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| Energy Cost Adjustment (ECA) | Volumetric rate that recovers variations between actual costs are those reflected in base rates for generation costs including fuel, purchased power, emission allowances, and transmission costs. Rate is established monthly. [KCP&L tariff and RRA Commission summary] |
| Energy Efficiency Rider | Recovers the costs associated with Commission-approved affordability, energy efficiency and demand response programs. Rider and the cost estimates are filed annually with the Commission. [KCP&L tariff] |
| KCP&L (Missouri) | |
| None Found | |
| KCP&L Greater Missouri Operations (Missouri) | |
| Fuel Adjustment Clause | Through this mechanism, the Company recovers 95% of "prudently incurred" fuel and purchased power costs, net emissions allowance costs, and OSS margins that vary from the levels included in base rates. The mechanism is adjusted semi-annually. [RRA Commission summary] |

Hawaiian Electric Industries, Inc. (HE)

| Hawaiian Electric (HECO), Hawaii Electric Light (HELCO) and Maui Electric (ME) | |
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| Energy Cost Adjustment Clause | The ECA clause is adjusted monthly for changes in fuel costs and the fuel cost component of purchased energy, and for variations from the forecasted generation mix. On December 29, 2010, the PUC issued an order permitting HECO to recover purchased power capacity costs and the O&M expense component of purchased power energy costs via a monthly adjustment clause. [RRA Commission summary] |
| Revenue Balancing Account Provision (Revenue Decoupling) | <p>Utilities in Hawaii have committed to aggressive clean energy goals, and have gained some certainty in cost recovery through the Hawaii PUC's initial approval of revenue decoupling. Under the new decoupling regime, the PUC will approve a revenue level for HECO based on services authorized. Rates will be adjusted based on sales levels, allowing the utility to continue recovering the cost of providing services, but not to earn additional profit from higher sales.</p> <p>Rate increase or decrease between formal rate cases will occur largely based on independent cost indices and will enable recovery of PUC-approved capital additions. The Rate Adjustment Mechanism ('RAM') provision of the RBA will determine whether an increase or decrease in annual utility base revenue. The RAM is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. The RAM considers changes in labor costs, non-labor costs, major capital costs, and productivity offsets. [Tariff Sheets 93 – 93H]</p> |
| Integrated Resource Planning Cost Recovery Adjustment | The PUC has approved recovery of certain demand side management program costs (to the extent they are not recovered through base rates) through an annual integrated resource planning cost recovery surcharge, subject to review. [RRA Commission summary] |
| Demand-Side Management (DSM) Adjustment Clauses | Adjustments are made to Residential, Commercial, and Industrial customer bills in order to recover the respective costs associated with the electric utilities' DSM programs for each customer class. Utilities recover certain load management and demand response costs associated with the companies' demand side management programs via a surcharge. Labor costs are recovered through base rates, while non-labor costs are recovered through the DSM surcharge. [RRA Commission summary] |
| Pension Tracking Mechanism | All three companies utilize tracking mechanisms for pension and other than pension benefit (OPEB) costs. [RRA Commission summary] |
| Purchased Power Adjustment Clause | Adjustments are made to various rate schedules in order to recover purchased power expenses that are not recovered in base rates or through the Energy Cost Adjustment Clause. [Tariff Sheet 94] |
| Renewable Energy Infrastructure Program Surcharge | This mechanism facilitates the recovery of renewable energy infrastructure investments. Recovery is to be capped at 100% of Commission-approved eligible project costs; recovery of any cost overruns may be examined in subsequent rate proceedings. This surcharge is intended to recover the revenue requirement of a renewable energy project until such a revenue requirement is included in rate base. The surcharge is subject to annual adjustments. [RRA Commission summary] |

IDACORP, Inc. (IDA)

| Idaho Power (Idaho) | |
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| Power Cost Adjustment | The Power Cost Adjustment is a monthly adjustment mechanism allowing the Company to recover 95% of the difference between projected power costs and normal power costs included in base rates. Cost variations are associated with water supply for hydor-electric production, wholesale energy prices, and retail load charges. [Idaho Power tariff] |
| Energy Efficiency Rider | The Energy Efficiency Rider recovers the cost of analysis and implementation of energy conservation and demand response programs. [Idaho Power tariff] |
| Fixed Cost Adjustment (FCA) - Decoupling | The Company establishes the costs charged to customers based on a fixed cost per customer that is then allocated based on units of consumption. The Fixed Cost Adjustment is the difference between the allowed fixed cost recovery and the actual fixed cost recovery, adjusted for normal weather. Actual sales are adjusted for weather, and there is a 3% cap on annual rate increases. The current FCA is calculated monthly and will expire on May 31, 2012 unless renewed by the Idaho Commission. [Idaho Power tariff and RRA Commission summary] |
| Accelerated Depreciation of Metering Infrastructure | On May 29, 2009, the Idaho Public Utility Commission allowed IPC to begin three-year accelerated depreciation of the existing metering equipment on June 1, 2009. The order reflects annualized depreciation expense relating to Advanced Metering Infrastructure. [Commission Order No. 30829] |
| Idaho Power (Oregon) | |
| Power Cost Adjustment Mechanism (PCAM) | This mechanism is an annual adjustment allowing the Company to recover 90% of the difference between actual power costs and normal power costs included in base rates. The PCA is subject to an earnings test with a deadband of 100 basis points. If the company earns less than its ROE by 100 basis points or more, the PCA true up is a charge to customers. If the Company has earned in excess of 100 basis points more than its allowed ROE, the company is required to include the PCA in a true-up balancing account as a credit to customers (back to a threshold of the authorized ROE plus 100 basis points). [Idaho Power tariff] |
| Annual Power Cost Update (APCU) | The APCU allows Idaho Power to reestablish its Oregon base net power supply costs annually, separate from a general rate case, and to forecast net power supply costs for the upcoming water year. [Idaho Power tariff] |
| Depreciation Adjustment Rider | This rider recovers accelerated depreciation of the existing metering infrastructure that is replaced by AMI metering, less the revenue requirement impact of the revised depreciation rates. [Idaho Power tariff] |
| Energy Efficiency Rider | The Energy Efficiency Rider is a means for the company to recover the analysis and implementation of energy conservation and demand response programs. [Idaho Power tariff] |

Pinnacle West Capital (PNW)

| Arizona Public Service | |
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| Renewable Energy Standard (RES) Adjustment Charge | The RES is a component of the Environmental Benefits Surcharge that collects costs associated with compliance to state renewable energy standards. Related charges and caps may be modified periodically by the Commission. [APS tariff] |
| Environmental Improvement Surcharge | This surcharge recovers costs associated with investment and expenses for environmental improvements at Company generation facilities that the ACC has approved for recovery. Improvements must have been implemented on or after January 1, 2004, and include ongoing environmental improvement projects and environmental improvement projects designed to comply with prospective required environmental standards. [APS tariff] |
| Demand Side Management Adjustment Charge | This charge is a component of the Environmental Benefits Charge that recovers costs related to Commission approved demand side management programs above those costs included in base rates. The Charge is collected on a monthly basis. [APS tariff] |
| Power Supply Adjustment (PSA) | The PSA recovers cost associated with fuel and purchased power, and applies to most retail electric rate schedules in accordance with their terms. The Company absorbs 10% of fuel and purchased power costs in excess of the amount that is reflected in base rates. [APS tariff and RRA Commission summary] |
| Transmission Cost Adjustment (TCA) | This adjustment applies to most retail electric rate schedules in accordance with their terms to recover costs associated with FERC approved transmission rate changes. [APS tariff and RRA Commission summary] |

Portland General (POR)

| Portland General | |
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| Regulatory Adjustments | This mechanism reflects the effects of regulatory adjustments such as net gains from nonrecurring property transactions, and costs associated with implementation of SB 1149 as well as miscellaneous nonrecurring items. [Portland General tariff] |
| Public Purpose Charge | The charge is designed to collect funds associated with activities mandated for the benefit of the general public, such as energy conservation, new market transformation, new renewable energy resources and new low-income weatherization. [Portland General tariff] |
| Energy Efficiency Customer Service | This adjustment is designed to fund Company activities associated with enabling customers to achieve energy efficiency, including but not limited to project facilitation, technical assistance, education and assistance to support programs administered by the Energy Trust of Oregon. [Portland General tariff] |
| Energy Efficiency Funding Adjustment | This adjustment is designed to fund the acquisition of additional Energy Efficiency Measures for the benefit of the Company's customers, pursuant to the Oregon Renewable Energy Act, through programs administered by the Energy Trust of Oregon. [Portland General tariff] |
| Renewable Resources Adjustment Clause | This schedule recovers the revenue requirements of qualifying Company-owned or contracted new renewable energy resource projects (including associated transmission) not otherwise included in rates. Additional new renewable projects may be incorporated into this schedule as they are placed in service. [Portland General tariff] |
| Sales Normalization Adjustment (SNA) - Decoupling | <p>This adjustment establishes balancing accounts and rate adjustment mechanisms to track and mitigate a portion of the transmission, distribution and fixed generation revenue variations caused by variations in applicable Customer Energy usage.</p> <p>The SNA reconciles on a monthly basis, differences between</p> <ul style="list-style-type: none"> a) The monthly revenues resulting from applying distribution, transmission and fixed generation charges (Fixed Charge Energy Rate) to weather-normalized kWh Energy sales, and b) The Fixed Charge Revenues that would be collected by applying the Monthly Fixed Charge per Customer and to the numbers of active Customers, respectively, for each month. <p>[Portland General tariff]</p> |
| Annual Power Cost Update | Rates are adjusted annually to account for changes in the Company's projected Net Variable Power Costs. The rate adjustment will be based on the Adjusted NVPC less the NVPC revenues that would occur at the NVPC prices determined in the Company's most recent general rate case applied to forecast loads used to determine changes in Net Variable Power Costs. [Portland General tariff] |

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| Annual Power Cost Variance Mechanism | This mechanism recognizes in rates part of the difference between actual and forecasted Net Variable Power Costs for a given year. The Company recovers 90% of the Annual Power Cost Variance, subject to the earnings test. [Portland General tariff] |
| Demand Response Cost Recovery Mechanism | This mechanism will recover expenses associated with the implementation and operation (on a pilot basis) of an automated demand response program not otherwise included in rates. Rate adjustments will commence on January 1, 2012. [Portland General tariff] |
| Short-Term Transition Adjustment | This schedule calculates the Short-Term Transition Adjustment to reflect the results of an ongoing valuation. The Short-Term Transition Adjustment will reflect the difference between the Energy Charge(s) under the Cost of Service option and the market price of power for the period of the adjustment applied to the load shape of the applicable schedule. [Portland General tariff] |
| Long-Term Transition Cost Adjustment | This schedule calculates the Long-Term Transition Cost Adjustment applicable to large non-residential customers. Annually, changes in fixed generation revenues resulting from either return to or departure from cost of service pricing relative to the Company's most recent general rate case will be incorporated into the System Usage Charges of the large non-residential rate schedules. [Portland General tariff] |
| Underground Conversion Cost Recovery | This recovers costs incurred by the Company to convert electric facilities from overhead to underground from customers within the boundaries of the local government requiring such conversion at the Company's expense. [Portland General tariff] |

Southern Company (SO)

| Alabama Power Company | |
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| Rate Adjustment for Certificated New Plant (Rate CNP) | Rate CNP is designed to recover costs associated with: <ul style="list-style-type: none"> • A generating facility that has been granted a certificate of convenience and necessity by the Alabama Public Service Commission (AL PSC), • A power purchase arrangement that has been granted a certificate of convenience and necessity by the AL PSC, or • Compliance with environmental laws, regulations, or other such mandates. [Alabama Power tariff] |
| Energy Cost Recovery (ECR) Rate | Rate ECR provides the Company with a means to recover defined energy (i.e., fuel) costs. It also establishes a procedure for the recovery of defined energy costs through base rates. [Alabama Power tariff] |
| Differential Factors Rate Rider | The Differential Factors Rate Rider captures the effects of energy losses along the service chain, as well as the effect of seasonal differentials associated with costs recovered under ECR (above). [Alabama Power tariff] |
| Natural Disaster Reserve Rate Rider (NDR) | Rate Rider NDR is designed to adjust monthly billings to address the financial impact of operating and maintenance (O&M) expenses attributable to certain natural disasters. [Alabama Power tariff] |
| Rate Stabilization and Equalization Factor (RSE) | The Rate RSE lessens the impact, frequency and size of retail rate increase requests by permitting the Company to adjust its charges more readily to achieve the rate of return authorized by the AL PSC. Charges are increased if projections for the upcoming year show that the designated rate of return range will not be met, and are decreased if projections show that the designated rate of return range will be exceeded. [Alabama Power tariff] |
| Georgia Power Company | |
| Fuel Cost Recovery Rider | Georgia Power Company has established fuel cost recovery rates that are approved by the Georgia PSC. Fuel cost recovery revenues as recorded on the financial statements are adjusted for differences in actual recoverable costs and amounts billed in current regulated rates. [Tariff Sheet 10.10] |
| Environmental Compliance Cost Recovery Rider | The purpose of the Environmental Cost Compliance Recovery Rider is to recover capital costs and O&M costs associated with government mandated environmental costs. [Tariff Sheet 10.00] |
| Demand Side Management Residential (DSM-R) Rider | The DSM-R rider will collect the projected program costs for approved and certified residential DSM programs, as well as an additional sum amount for certified residential DSM programs. [Tariff Sheet 10.20] |
| Demand Side Management Commercial (DSM-C) Rider | The DSM-C rider will collect the projected program costs for approved and certified commercial DSM programs, as well as an additional sum amount for certified commercial DSM programs. [Tariff sheet 10.30] |

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| Nuclear Construction Cost Recovery | Recovers the cost of financing associated with the construction of a nuclear generating plant which has been certified by the Commission. The Georgia Nuclear Financing Act and the Georgia PSC certification of Plant Vogtle Units 3 and 4 allows Georgia Power to recover financing costs for construction of the new nuclear units during the construction period beginning in 2011. [Tariff Sheet 10.10 and RRA Commission summary] |
| Alternative Rate Plan | <p>On December 21, 2010, the Georgia PSC approved the 2010 ARP. Under the terms of the 2010 ARP, Georgia Power will amortize approximately \$92 million of its remaining regulatory liability related to other cost of removal obligations over the three years ending December 31, 2013. Also under the terms of the 2010 ARP, effective January 1, 2011, Georgia Power increased its (1) traditional base tariff rates by approximately \$347 million; (2) Demand-Side Management (DSM) tariff rates by approximately \$31 million; (3) ECCR tariff rate by approximately \$168 million; and (4) Municipal Franchise Fee (MFF) tariff rate by approximately \$16 million, for a total increase in base revenues of approximately \$562 million. Additional base rate adjustments will be made to Georgia Power's tariffs in 2012 and 2013. [Order approving 2010 ARP]</p> <p>Under the 2010 ARP, Georgia Power's retail ROE is set at 11.15% and earnings will be evaluated against a retail ROE range of 10.25% to 12.25%. Two-thirds of any earnings above 12.25% will be directly refunded to customers, with the remaining one-third retained by Georgia Power. If at any time during the term of the 2010 ARP, Georgia Power projects that retail earnings will be below 10.25% for any calendar year, it may petition the Georgia PSC for the implementation of an Interim Cost Recovery (ICR) tariff to adjust Georgia Power's earnings back to a 10.25% retail ROE. In lieu of requesting implementation of an ICR tariff, or if the Georgia PSC chooses not to implement the ICR, Georgia Power may file a full rate case. [RRA Commission summary]</p> |
| Gulf Power Company | |
| Cost Recovery Clause – Fossil Fuel and Purchased Power | Gulf Power files a rate clause request annually with the Florida Public Service Commission (FPSC) to recover costs associated with changing efficiency, cost of fossil fuel, and cost of purchased power. Revenues are adjusted for differences between recoverable costs and amounts actually recovered in current rates. [Tariff Sheet 6.34] |
| Purchased Power Capacity Cost Recovery Clause | Recovery of payments made by the Company for capacity, net of revenues received by the Company for capacity sales. [Tariff Sheet 6.35] |
| Energy Conservation Cost Recovery | Gulf Power files a rate clause request annually with the FPSC to recover costs associated with energy conservation. Revenues are adjusted for differences between recoverable costs and amounts actually recovered in rates. [Tariff Sheet 6.38] |
| Environmental Cost Recovery Clause | The purpose of the Environmental Cost Recovery Clause is the recovery of certain environmental investments and expenses that are not being recovered through base rates. [Tariff Sheet 6.36] |
| Mississippi Power Company | |

| | |
|--|--|
| Fuel Cost Recovery Clause | Mississippi Power's fuel cost recovery provisions are adjusted annually to reflect increases or decreases in such costs. Includes a true-up adjustment for any over/under collection in the twelve month period immediately preceding the calculation month. [Tariff Schedule No. 16] |
| Energy Cost Management Clause | Recovers budgeted transaction costs for entering forward or financial contracts such as option premiums for both gas and electricity futures contracts and budgeted gas transportation and electricity transmission necessary to meet futures contract obligations for a twelve month period. Includes a true-up adjustment for any over/under collection in the twelve month period immediately preceding the calculation month. [Tariff Schedule No. 49] |
| Performance Evaluation Plan | Annually on or before November 15, a determination will be made as to whether or not the Company's revenues should be increased, decreased, or remain the same. Based on a twelve month ending Projected Retail Return on Investment as well as the Company's Performance Rating and a Range of No Change. No annual revenue adjustment may exceed 4.00%. [Tariff Schedule No. 28.1] |
| Environmental Compliance Overview Plan | Approved environmental compliance costs are recovered through cost recovery provisions. Within limits, these rates are adjusted to reflect increases or decreases in such costs as required. [Tariff Schedule No. 39] |
| System Restoration Rider (SRR) | Under the System Restoration Rider, the Company is allowed to recover costs associated with property damage caused by severe storms. A revised SRR calculation method (January 2009), the Mississippi PSC is no longer required to set a cap on a property damage reserve, or to authorize the calculation of an annual property damage accrual. [Tariff Schedule No. 53] |

Westar Energy (WR)

| Northern and Southern Region | |
|-----------------------------------|--|
| Fuel Charge | The fuel charge includes costs incurred in production of electricity, as well as the Off-system Sales Adjustment, which credits profits from wholesale sales to retail customers. Wholesale sales are transactions in which the Company sells energy to other wholesale entities such as neighboring utilities, municipalities and power marketers. (See the Retail Energy Cost Adjustment below) |
| Environmental Cost Recovery Rider | This adjustment is designed to recover annual capital investment-related revenue requirements that are associated with Westar's Environmental Improvements Projects. The ECRC is collected on a monthly basis and includes an annual true-up. [Westar tariff] |
| Retail Energy Cost Adjustment | This quarterly adjustment recovers costs associated with the fuel costs to produce electricity, purchased power cost, emission allowance costs, and the off-system sales adjustment, which credits profits from wholesale sales to retail customers. [Westar tariff and RRA Commission summary] |
| Transmission Delivery Charge | This charge includes costs related to the construction and maintenance of Westar Energy's transmission system and the unbundling of FERC-regulated transmission charges. [Westar tariff and RRA Commission summary.] |
| Property Tax Surcharge | The Company shall collect or refund the difference between the actual property tax and the amount approved in its most recent rate case in 2010, subject to annual true-up. [Westar tariff] |
| Storm Costs | The Company accumulated and deferred for future recovery costs related to restoring its electric transmission and distribution systems from damages sustained during unusually damaging storms. The Company amortizes these costs over periods ranging from three to five years and earns a return on a majority of this asset. [Westar 2010 Form 10-K, at 81] |
| Energy Efficiency Rider | The Company accumulates and defers for future recovery costs related to its various energy efficiency programs. The Company will amortize such costs over a one-year period. The Company does not earn a return on this asset. Westar is also allowed to recover lost revenues associated with its participation in the "Efficiency Kansas" conservation program. [RRA Commission summary and Westar tariff] |

ELECTRIC UTILITY DECOUPLING MECHANISM ROE ADJUSTMENTS

Defined Adjustment

| No. | State | Utility | Specific Adjustment to ROE | Docket | Date of Final Order | Litigated or Settled |
|-----|-------|----------------------------|----------------------------|-------------------------|---------------------|----------------------|
| 1 | DC | Potomac Electric Power Co. | 50 basis points | F.C. 1053 | 9/28/2009 | Litigated |
| 2 | DC | Potomac Electric Power Co. | 50 basis points | F.C. 1076 | 3/2/2010 | Litigated |
| 3 | MD | Baltimore Gas & Electric | 50 basis points | C-9230 | 3/9/2011 | Litigated |
| 4 | MD | Delmarva Power & Light Co. | 50 basis points | C-9093 | 7/19/2007 | Litigated |
| 5 | MD | Delmarva Power & Light Co. | 50 basis points | C-9192, [1] | 12/30/2009 | Litigated |
| 6 | MD | PEPCO | 50 basis points | C-9092 | 7/19/2007 | Litigated |
| 7 | MD | PEPCO | 50 basis points | C-9217 | 8/6/2010 | Litigated |
| 8 | MT | Northwestern Energy | 25 basis points | D2009.9.129, D2007.7.82 | 12/9/2010 | Litigated |
| 9 | NY | Central Hudson | 10 basis points | 08-E-0887 | 6/22/2009 | Litigated |
| 10 | OR | Portland General Electric | 10 basis points | UE 197 | 1/22/2009 | Settled |
| 11 | OR | Portland General Electric | 10 basis points | UE 204 | 1/22/2010 | Settled |

Non-Defined Adjustment

| No. | State | Utility | Specific Adjustment to ROE | Docket | Date of Final Order | Litigated or Settled |
|-----|-------|---|----------------------------|-------------|---------------------|----------------------|
| 12 | CT | United Illuminating Company | No [2] | 08-07-04 | 1/20/2009 | Litigated |
| 13 | HI | Hawaiian Electric | No [2] | 2008-0083 | 12/29/2010 | Litigated |
| 14 | MA | Massachusetts Electric Co. & Nantucket Electric Co. | No [2] | D.P.U 09-39 | 11/30/2009 | Litigated |
| 15 | MA | Western MA Electric | No [2] | DPU 10-70 | 1/31/2011 | Litigated |
| 16 | MA | Fitchburg Gas & Electric | No [2] | 11-01 | 8/1/2011 | Litigated |
| 17 | NY | Consolidated Edison | No [3] | 07-E-0523 | 3/25/2008 | Litigated |
| 18 | NY | Consolidated Edison | No [2] | 08-E-0539 | 4/24/2009 | Litigated |

No Adjustment

| No. | State | Utility | Specific Adjustment to ROE | Docket | Date of Final Order | Litigated or Settled |
|-----|-------|--------------------------------|----------------------------|--|---------------------|----------------------|
| 19 | CA | Pacific Gas & Electric | No | CA Code Sec. 9 Section 739(3) and Sec. 10 Section 739.10 as amended by A.B. XI 29; Decisions 98-03-063 & 07-09-043 | N/A | N/A |
| 20 | CA | San Diego Gas & Electric | No | see above | N/A | N/A |
| 21 | CA | Southern California Edison | No | see above | N/A | N/A |
| 22 | ID | Idaho Power Company | No | IPC-E-08-10 | 1/30/2009 | Litigated |
| 23 | MI | Consumers Energy Co. | No | C-U-15645 | 11/2/2009 | Litigated |
| 24 | MI | Consumers Energy Co. | No [4] | C-U-16191 | 11/4/2010 | Litigated |
| 25 | MI | Detroit Edison Co. | No | C-U-15768 | 1/11/2010 | Litigated |
| 26 | MI | Upper Peninsula Power Co. | No | C-U-15988 | 12/16/2009 | Settled |
| 27 | MI | Upper Peninsula Power Co. | No | C-U-16166 | 12/21/2010 | Settled |
| 28 | MI | Detroit Edison | No | U-16472 | 10/20/2011 | Litigated |
| 29 | NY | Central Hudson | No | 09-E-0588 | 6/16/2010 | Settled |
| 30 | NY | Consolidated Edison | No | 09-E-0428 | 3/25/2010 | Settled |
| 31 | NY | Niagara Mohawk | No | 10-E-0050, 08-E-0827 | 1/24/2011 | Litigated |
| 32 | NY | NY State Electric & Gas Corp. | No | C-09-E-0715 & C-09-E-0716 | 9/16/2010 | Settled |
| 33 | NY | Orange & Rockland Utilities | No | 07-E-0949 | 7/23/2008 | Settled |
| 34 | NY | Rochester Gas & Electric Corp. | No | C-09-E-0717 & C-09-E-0718 | 9/16/2010 | Settled |
| 35 | NY | Orange & Rockland Utilities | No | 10-E-0362 | 6/16/2011 | Litigated |
| 36 | OR | Portland General Electric | No [5] | UE 215 | 12/17/2010 | Settled |
| 37 | WI | Wisconsin Public Service Co | No [6] | 6690-UR-119 | 12/30/2008 | Settled |
| 38 | WI | Wisconsin Public Service Co | No | 6690-UR-120 | 1/13/2011 | Litigated |
| 39 | IL | Commonwealth Edison Company | No | 10-0467 | 5/24/2011 | Litigated |

Source: Regulatory Research Associates

Notes:

[1] Delmarva Power & Light Co.'s decoupling mechanism was not addressed in the 2011 settlement in Docket C-9249 therefore it is not listed in this exhibit. However, the settlement did state that the ROE was to remain unchanged from this rate case.

[2] The Commission and/or parties stated the ROE was affected by the implementation of a decoupling mechanism but the adjustment was not specified.

[3] No ROE adjustment was made, although a 10 basis point adjustment was discussed but, ultimately, considered offset by other rate measures and revenue adjustments adopted by the Commission.

[4] No ROE adjustment was specified; however, we note the Commission's statement that the discontinuance of all other existing trackers removes much of the justification for lowering the Company's ROE to reflect the decreased business risk under revenue decoupling.

[5] No ROE adjustment was specified; however, the stipulating parties agreed upon an ROE of 10.00% that, it was noted, is equivalent to the Company's current approved ROE. See Line 11.

[6] ROE was not discussed or determined in the order.

Common Equity Ratio

Summary Data

| Company Name | Ticker | 2011Q2 | 2011Q1 | 2010Q4 | 2010Q3 | 2010Q2 | 2010Q1 | 2009Q4 | 2009Q3 | Overall Average |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| American Electric Power Company, Inc. | AEP | 50.77% | 50.06% | 49.97% | 53.02% | 52.47% | 52.42% | 48.38% | 48.96% | 50.76% |
| Cleco Corp. | CNL | 47.75% | 46.98% | 47.33% | 51.14% | 50.52% | 50.69% | 45.45% | 47.08% | 48.37% |
| Great Plains Energy Inc. | GXP | 53.00% | 53.59% | 52.23% | 52.34% | 54.19% | 53.82% | 53.70% | 52.96% | 53.23% |
| Hawaiian Electric Industries, Inc. | HE | 55.06% | 55.07% | 55.05% | 54.83% | 54.63% | 54.52% | 54.47% | 53.13% | 54.60% |
| IDACORP, Inc. | IDA | 48.95% | 48.84% | 46.61% | 46.22% | 48.20% | 47.56% | 47.45% | 48.15% | 47.75% |
| Pinnacle West Capital Corp. | PNW | 52.44% | 52.57% | 52.97% | 52.98% | 51.49% | 49.78% | 50.37% | 50.74% | 51.67% |
| Portland General Electric Company | POR | 47.78% | 47.74% | 46.83% | 46.73% | 46.26% | 46.47% | 46.94% | 49.37% | 47.26% |
| Southern Company | SO | 48.58% | 48.91% | 47.61% | 47.11% | 48.68% | 48.91% | 48.21% | 48.56% | 48.32% |
| Westar Energy, Inc. | WR | 59.45% | 59.07% | 59.20% | 59.31% | 58.50% | 58.24% | 58.56% | 58.69% | 58.88% |
| Proxy Group Average | | 51.53% | 51.43% | 50.87% | 51.52% | 51.56% | 51.38% | 50.39% | 50.85% | 51.20% |

Underlying Data

| Company Name | Ticker | Common Equity Ratio | | | | | | | | |
|---|--------|---------------------|--------|--------|---------|---------|---------|--------|--------|--|
| | | 2011Q2 | 2011Q1 | 2010Q4 | 2010Q3 | 2010Q2 | 2010Q1 | 2009Q4 | 2009Q3 | |
| AEP Texas Central Company | AEP | 47.07% | 44.82% | 44.67% | 44.58% | 43.60% | 43.70% | 43.60% | 43.48% | |
| AEP Texas North Company | AEP | 45.93% | 45.72% | 45.37% | 45.03% | 44.93% | 45.58% | 45.42% | 46.47% | |
| Appalachian Power Company | AEP | 43.03% | 41.43% | 44.08% | 43.75% | 43.39% | 44.92% | 44.23% | 44.69% | |
| Columbus Southern Power Company | AEP | 50.96% | 50.87% | 50.81% | 48.47% | 47.05% | 46.48% | 46.95% | 46.18% | |
| Indiana Michigan Power Company | AEP | 48.94% | 48.75% | 48.36% | 46.70% | 46.18% | 46.34% | 45.75% | 45.64% | |
| Kentucky Power Company | AEP | 45.42% | 45.50% | 44.84% | 44.21% | 43.59% | 44.27% | 44.04% | 44.00% | |
| Kingsport Power Company | AEP | 59.00% | 59.12% | 57.96% | 100.00% | 100.00% | 100.00% | 51.61% | 55.30% | |
| Ohio Power Company | AEP | 54.18% | 54.36% | 53.28% | 52.23% | 52.19% | 49.28% | 49.81% | 50.01% | |
| Public Service Company of Oklahoma | AEP | 47.39% | 45.09% | 46.33% | 46.53% | 45.29% | 45.19% | 45.47% | 48.40% | |
| Southwestern Electric Power Company | AEP | 50.26% | 49.52% | 49.08% | 49.00% | 47.75% | 47.34% | 51.63% | 51.44% | |
| Wheeling Power Co | AEP | 66.34% | 65.53% | 64.89% | 62.73% | 63.16% | 63.54% | 63.72% | 62.98% | |
| Cleco Power LLC | CNL | 47.75% | 46.98% | 47.33% | 51.14% | 50.52% | 50.69% | 45.45% | 47.08% | |
| Kansas City Power & Light Company | GXP | 54.41% | 52.66% | 52.90% | 53.16% | 52.29% | 51.98% | 51.97% | 51.93% | |
| KCP&L Greater Missouri Operations Company | GXP | 51.59% | 54.52% | 51.55% | 51.52% | 56.09% | 55.66% | 55.43% | 53.99% | |
| Hawaii Electric Light Company, Inc. | HE | 55.06% | 55.07% | 55.05% | 54.83% | 54.63% | 54.52% | 54.47% | 53.13% | |
| Idaho Power Co. | IDA | 48.95% | 48.84% | 46.61% | 46.22% | 48.20% | 47.56% | 47.45% | 48.15% | |
| Arizona Public Service Company | PNW | 52.44% | 52.57% | 52.97% | 52.98% | 51.49% | 49.78% | 50.37% | 50.74% | |
| Portland General Electric Company | POR | 47.78% | 47.74% | 46.83% | 46.73% | 46.26% | 46.47% | 46.94% | 49.37% | |
| Alabama Power Company | SO | 44.08% | 43.84% | 43.89% | 44.41% | 43.80% | 43.52% | 43.16% | 43.10% | |
| Georgia Power Company | SO | 49.97% | 50.39% | 50.52% | 49.46% | 49.89% | 50.17% | 48.93% | 50.68% | |
| Gulf Power Company | SO | 45.52% | 45.57% | 44.76% | 43.57% | 45.43% | 46.33% | 45.12% | 44.62% | |
| Mississippi Power Company | SO | 54.77% | 55.85% | 51.28% | 50.98% | 55.58% | 55.61% | 55.62% | 55.84% | |
| Kansas Gas and Electric Company | WR | 56.77% | 56.52% | 57.00% | 57.24% | 56.49% | 56.24% | 57.15% | 57.23% | |
| Westar Energy (KPL) | WR | 62.13% | 61.62% | 61.39% | 61.38% | 60.50% | 60.24% | 59.96% | 60.14% | |

Notes

Sources: SNL Financial

Long Term Debt Ratio

Summary Data

| Company Name | Ticker | 2011Q2 | 2011Q1 | 2010Q4 | 2010Q3 | 2010Q2 | 2010Q1 | 2009Q4 | 2009Q3 | Overall Average |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| American Electric Power Company, Inc. | AEP | 49.23% | 49.94% | 50.03% | 46.98% | 47.53% | 47.58% | 51.62% | 51.04% | 49.24% |
| Cleco Corp. | CNL | 52.25% | 53.02% | 52.67% | 48.86% | 49.48% | 49.31% | 54.55% | 52.92% | 51.63% |
| Great Plains Energy Inc. | GXP | 47.00% | 46.41% | 47.77% | 47.66% | 45.81% | 46.18% | 46.30% | 47.04% | 46.77% |
| Hawaiian Electric Industries, Inc. | HE | 44.94% | 44.93% | 44.95% | 45.17% | 45.37% | 45.48% | 45.53% | 46.87% | 45.40% |
| IDACORP, Inc. | IDA | 51.05% | 51.16% | 53.39% | 53.78% | 51.80% | 52.44% | 52.55% | 51.85% | 52.25% |
| Pinnacle West Capital Corp. | PNW | 47.56% | 47.43% | 47.03% | 47.02% | 48.51% | 50.22% | 49.63% | 49.26% | 48.33% |
| Portland General Electric Company | POR | 52.22% | 52.26% | 53.17% | 53.27% | 53.74% | 53.53% | 53.06% | 50.63% | 52.74% |
| Southern Company | SO | 51.42% | 51.09% | 52.39% | 52.89% | 51.32% | 51.09% | 51.79% | 51.44% | 51.68% |
| Westar Energy, Inc. | WR | 40.55% | 40.93% | 40.80% | 40.69% | 41.50% | 41.76% | 41.44% | 41.31% | 41.12% |
| Proxy Group Average | | 48.47% | 48.57% | 49.13% | 48.48% | 48.34% | 48.62% | 49.61% | 49.15% | 48.80% |

Underlying Data

| Company Name | Ticker | Long Term Debt Ratio | | | | | | | | |
|---|--------|----------------------|--------|--------|--------|--------|--------|--------|--------|--|
| | | 2011Q2 | 2011Q1 | 2010Q4 | 2010Q3 | 2010Q2 | 2010Q1 | 2009Q4 | 2009Q3 | |
| AEP Texas Central Company | AEP | 52.93% | 55.18% | 55.33% | 55.42% | 56.40% | 56.30% | 56.40% | 56.52% | |
| AEP Texas North Company | AEP | 54.07% | 54.28% | 54.63% | 54.97% | 55.07% | 54.42% | 54.58% | 53.53% | |
| Appalachian Power Company | AEP | 56.97% | 58.57% | 55.92% | 56.25% | 56.61% | 55.08% | 55.77% | 55.31% | |
| Columbus Southern Power Company | AEP | 49.04% | 49.13% | 49.19% | 51.53% | 52.95% | 53.52% | 53.05% | 53.82% | |
| Indiana Michigan Power Company | AEP | 51.06% | 51.25% | 51.64% | 53.30% | 53.82% | 53.66% | 54.25% | 54.36% | |
| Kentucky Power Company | AEP | 54.58% | 54.50% | 55.16% | 55.79% | 56.41% | 55.73% | 55.96% | 56.00% | |
| Kingsport Power Company | AEP | 41.00% | 40.88% | 42.04% | 0.00% | 0.00% | 0.00% | 48.39% | 44.70% | |
| Ohio Power Company | AEP | 45.82% | 45.64% | 46.72% | 47.77% | 47.81% | 50.72% | 50.19% | 49.99% | |
| Public Service Company of Oklahoma | AEP | 52.61% | 54.91% | 53.67% | 53.47% | 54.71% | 54.81% | 54.53% | 51.60% | |
| Southwestern Electric Power Company | AEP | 49.74% | 50.48% | 50.92% | 51.00% | 52.25% | 52.66% | 48.37% | 48.56% | |
| Wheeling Power Co | AEP | 33.66% | 34.47% | 35.11% | 37.27% | 36.84% | 36.46% | 36.28% | 37.02% | |
| Cleco Power LLC | CNL | 52.25% | 53.02% | 52.67% | 48.86% | 49.48% | 49.31% | 54.55% | 52.92% | |
| Kansas City Power & Light Company | GXP | 45.59% | 47.34% | 47.10% | 46.84% | 47.71% | 48.02% | 48.03% | 48.07% | |
| KCP&L Greater Missouri Operations Company | GXP | 48.41% | 45.48% | 48.45% | 48.48% | 43.91% | 44.34% | 44.57% | 46.01% | |
| Hawaii Electric Light Company, Inc. | HE | 44.94% | 44.93% | 44.95% | 45.17% | 45.37% | 45.48% | 45.53% | 46.87% | |
| Idaho Power Co. | IDA | 51.05% | 51.16% | 53.39% | 53.78% | 51.80% | 52.44% | 52.55% | 51.85% | |
| Arizona Public Service Company | PNW | 47.56% | 47.43% | 47.03% | 47.02% | 48.51% | 50.22% | 49.63% | 49.26% | |
| Portland General Electric Company | POR | 52.22% | 52.26% | 53.17% | 53.27% | 53.74% | 53.53% | 53.06% | 50.63% | |
| Alabama Power Company | SO | 55.92% | 56.16% | 56.11% | 55.59% | 56.20% | 56.48% | 56.84% | 56.90% | |
| Georgia Power Company | SO | 50.03% | 49.61% | 49.48% | 50.54% | 50.11% | 49.83% | 51.07% | 49.32% | |
| Gulf Power Company | SO | 54.48% | 54.43% | 55.24% | 56.43% | 54.57% | 53.67% | 54.88% | 55.38% | |
| Mississippi Power Company | SO | 45.23% | 44.15% | 48.72% | 49.02% | 44.42% | 44.39% | 44.38% | 44.16% | |
| Kansas Gas and Electric Company | WR | 43.23% | 43.48% | 43.00% | 42.76% | 43.51% | 43.76% | 42.85% | 42.77% | |
| Westar Energy (KPL) | WR | 37.87% | 38.38% | 38.61% | 38.62% | 39.50% | 39.76% | 40.04% | 39.86% | |

Notes

Sources: SNL Financial

**Testimony of
Kevin M McGowan**

1 **DELMARVA POWER & LIGHT COMPANY**
2 **TESTIMONY OF KEVIN M. MCGOWAN**
3 **BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION**
4 **CONCERNING AN INCREASE IN ELECTRIC BASE RATES**
5 **DOCKET NO. 11-__**
6

7 **1. Q: Please state your name and position, and business address.**

8 **A:** My name is Kevin M. McGowan. I am Vice President and Treasurer of
9 Pepco Holdings, Inc. (PHI), which is located at 701 9th St NW, Washington, DC
10 20001. I am testifying on behalf of Delmarva Power & Light Company
11 (Delmarva or the Company).

12 **2. Q: Please state your educational background and professional qualifications?**

13 **A:** I graduated from the University of Texas at San Antonio receiving a
14 Bachelor of Business Administration degree in both Accounting and Business
15 Data Systems. I also graduated from the University of Chicago Graduate School
16 of Business and received a Masters of Business Administration in Finance. I am a
17 Certified Public Accountant.

18 I joined the Pepco organization in 1998 as the Vice President and
19 Treasurer of Potomac Capital Investments, a subsidiary of Pepco. In 2004, I
20 transferred to Pepco's Power Delivery group and eventually to PHI, where I have
21 held various financial positions. In March 2009, I became Vice President and
22 Treasurer of PHI. Prior to joining the Pepco organization, I worked for Duty Free
23 International, an international retail company, and prior to that I worked for Ernst
24 & Young.

1 3. Q: What are your responsibilities in your role as Vice President and Treasurer?

2 A: I am responsible for PHI's corporate finance, treasury, credit, investment
3 and risk management activities. As part of my responsibilities, I am responsible
4 for the Company's fixed income borrowings and capital structure, the credit rating
5 agencies relationship, and I am involved with managing the Company's
6 relationships with the financial community.

7 4. Q: Have you recently testified before the Delaware Public Service Commission?

8 A: Yes, I appeared before the Delaware Public Service Commission (PSC or
9 Commission) in 2010 in conjunction with the Company's application for long-
10 term financing authority.

11 5. Q: What is the purpose of your testimony?

12 A: The purpose of my testimony is to present and support the Company's
13 request to earn an overall rate of return (ROR) of 7.87% on its distribution rate
14 base in Delaware. Also, I will present the Company's capital structure and
15 current credit ratings, and explain why it is critical to the Company, and beneficial
16 to the customers that Delmarva maintains a strong investment grade credit rating.
17 Finally, I will provide a brief overview of the financial modeling assumptions
18 used to determine the impact of regulatory lag on the Company's ability to earn
19 its allowed ROR. This testimony was prepared by me or under my direct
20 supervision and control. The source documents for my testimony are Company
21 records, public documents and my personal knowledge and experience.

1 6. Q: Will you please summarize your testimony?

2 A: As shown in Schedule KMM-1, the Company is requesting an overall rate
3 of return of 7.87% on its distribution rate base in Delaware. This overall rate of
4 return is the weighted average, based on the Company's September 30, 2011
5 capital structure ratios of 49.48% common equity and 50.52% long-term debt, its
6 embedded long-term debt cost of 5.05% and its return on common equity of
7 10.75%, as determined by Company Witness Hevert.

8 7. Q: What factors influence the Company's capital structure?

9 A: It is necessary to consider the relative costs and risks of the long-term debt
10 and common equity that comprise the Company's capital structure. In general,
11 contractual interest and principal payments to long-term debt holders have priority
12 over non-contractual dividend payments to common equity holders. As long-term
13 debt presents lower risk to the investor, it nominally offers a lower rate of return
14 to the investor and therefore carries a lower cost to the issuer. Conversely, as
15 common equity presents higher risk to the investor, it nominally offers a higher
16 rate of return to the investor and therefore carries a higher cost to the issuer.

17 Given the trade-offs between the costs and risks of long-term debt and
18 common equity, the Company must primarily consider its financial integrity, as
19 nominally reflected in its credit ratings and other key financial metrics in order to
20 successfully balance the needs of its customers and investors. In general, a higher
21 credit rating allows the Company to access a larger investor base and increase the
22 sources of financing it can access from the capital markets. Conversely, the lower
23 the Company's credit rating, the more difficult and more costly it is for the

1 Company to access the capital markets, which consequently will result in a higher
2 cost to our customers.

3 **8. Q: What is the overriding factor influencing formation of the capital structure?**

4 A: Given the direct link between financial integrity and capital structure, the
5 overriding factor influencing the Company's capital structure is to ensure our
6 credit rating metrics support our credit rating. The Company's capital structure
7 has been critical in achieving a level of financial integrity that allows it to raise
8 the necessary capital to serve our customers' needs in terms of reliable and cost-
9 effective electric service.

10 **9. Q: What capital structure does the Company recommend for the purpose of**
11 **ratemaking in this proceeding?**

12 A: As indicated in Schedule KMM-2, the capital structure the Company
13 recommends for this proceeding is:

14 Long-Term Debt 50.52%

15 Common Equity 49.48%

16 This capital structure is consistent with the Company's goals and
17 objectives, and necessary to maintain our current credit ratings. In addition, our
18 current credit ratings are based on our commitment to maintain a capital structure
19 consistent with these percentages. We have also communicated these targets to
20 the financial community.

21 **10. Q: Is this capital structure consistent with industry practice and averages?**

22 A: Yes. The Company's recommended capital structure is consistent with the
23 2010 full-year and 2011 year-to-date reported averages of 48.45% and 47.98%,

1 respectively, of the common equity ratios of electric utilities as published in the
2 October 2011 edition of Regulatory Research Associates' "Regulatory Focus:
3 Major Rate Case Decisions", as well as with a 2012 – 2016 forecast range from
4 49.0% to 49.5% for the average equity ratio of the Electric Utility (East) Industry
5 sector between 2012 and 2016, as published by Value Line on August 26, 2011.

6 **11. Q: Are there other reasons this capital structure is appropriate for use in this**
7 **proceeding?**

8 A: Yes. As indicated in the Direct Testimony of Company Witness Hevert,
9 the Company's recommended capital structure is reasonable given a mean
10 common equity ratio of 51.20% (range between 47.26% and 58.88%) for the nine
11 (9) companies comprising his peer group for the purpose of determining the cost
12 of equity in this proceeding.

13 **12. Q: What are the Company's credit ratings by major rating agencies?**

14 A: Delmarva's long-term corporate credit ratings (unsecured debt ratings) are
15 BBB+, Baa2 and A- from S&P, Moody's and Fitch, respectively. As noted in
16 S&P's "Global Credit Portal" report dated January 24, 2011, 68% of U.S.
17 investor-owned electric utilities carry ratings from BBB- to BBB+, with an
18 additional 28% rated A-, or better.

19 While specific financial metrics, and how they are weighted, may differ
20 among the three rating agencies, Delmarva's current ratings generally indicate
21 that the Company should have reasonable access to the capital markets and
22 adequate liquidity under most scenarios.

1 **13. Q: Please briefly describe the importance of the Company's credit ratings?**

2 A: As previously stated, the Company's credit ratings indicate the rating
3 agencies' assessment of the Delmarva's ability to meet its obligations to its long
4 term debt holders. The higher the credit rating, the greater the perceived
5 likelihood that the debt investors will receive their interest and principal payments
6 as expected. As such, a company with a higher credit rating has access to a larger
7 investor base, faces fewer restrictive covenants and can issue long-term debt at
8 lower cost. This is particularly advantageous today given the Company's plans to
9 invest a significant amount of capital over the next five years, especially in system
10 reliability, the Blueprint for the Future and other distribution infrastructure
11 projects. In addition, given the significant credit commitments associated with
12 the Standard Offer Service (SOS) procurement process, a high credit rating allows
13 the Company the option to obtain the best pricing, terms and conditions from the
14 load-serving entities.

15 Conversely, lower credit ratings reflect increased investor risk; therefore,
16 investors expect to be paid more to provide funds to such an issuer. In addition,
17 lower credit ratings typically result in investors demanding more restrictive terms
18 and covenants from the issuer. Lower credit ratings also limit the pool of
19 investors that may otherwise invest in the Company due to ratings restrictions
20 imposed by some institutional investors. These additional costs associated with
21 lower credit ratings will only increase the costs to our customers.

1 **14. Q: Does regulatory lag present a credible risk to the Company's credit ratings?**

2 A: Yes. All else equal, the Company's ability to generate sufficient cash flow
3 from operations to meet its obligations is one of the most important factors in
4 determining credit ratings. Although the three rating agencies may differ
5 somewhat in their proprietary use and weighting of conventional financial
6 metrics, major emphasis is consistently placed upon a rated entity's funds from
7 operations (FFO) relative to its interest payment obligations (FFO / Interest
8 Coverage) and indebtedness (FFO / Debt).

9 As indicated in the Direct Testimony of Company Witness Kamerick,
10 regulatory lag, or the chronic shortfall between Delmarva's revenues and its
11 requirements to maintain and invest in its distribution rate base in Delaware, not
12 only adversely impacts the Company's ability to earn its authorized rate of return,
13 but also its ability to directly fund its obligations from operations without
14 incurring additional indebtedness. Given the rating agencies' primary focus on
15 the Company's ability to generate funds from operations relative to indebtedness,
16 it follows that failure to remedy Delmarva's chronic regulatory lag through these
17 Proceedings presents a credible risk to the Company's credit ratings.

18 In effect, the ability of the Company to generate cash speaks directly to the
19 quality of its earnings, and therefore to its credit rating. In this light it should be
20 considered that non-cash generating remedies, including the establishment of
21 regulatory assets, while perhaps helpful from an earnings perspective, do not
22 increase cash flow from operations or provide recovery for the costs invested in
23 the system.

1 15. Q: What are the benefits of investment grade status for the Company's
2 customers?

3 A: It is important for customers to be served by a financially strong utility
4 that is able to access capital markets in a cost-effective manner. For example,
5 when liquidity disappeared from short-term credit markets during the onset of the
6 U.S. banking crisis in 2008, the Company had difficulty (and during a period of
7 time was unable) to roll-over commercial paper used to temporarily finance its
8 utility construction and operations activities. As a result, the Company sought
9 and received Commission approval to issue and sell \$250 million of long-term
10 debt securities, which the Company was only able to do on acceptable terms
11 because of its investment- grade credit ratings.

12 16. Q: Will an investment grade credit rating benefit customers in the future?

13 A: Yes, looking forward over the next five years, the Company plans to
14 invest significant capital into critical infrastructure and reliability projects. This
15 capital investment must be financed through the debt and equity markets. A
16 strong investment grade credit rating will allow the Company timely access to
17 capital markets, result in lower cost financing and lower the cost of service to our
18 customers. In addition, the Company has significant credit commitments to load-
19 serving entities in the SOS procurement process. A strong investment grade
20 credit rating allows the Company to obtain the best pricing, terms, and conditions.

1 **17. Q: How did you calculate the Company's embedded cost of long-term debt?**

2 A: The embedded cost of long-term debt was calculated in the same manner
3 used in the Company's previous rate filing (Docket No. 09-414), as shown in
4 Schedule KMM-3 and Schedule KMM-4.

5 **18. Q: What overall rate of return is the Company requesting in these proceedings?**

6 A: The Company is requesting an overall rate of return of 7.87% on its
7 distribution rate base in Delaware, as provided in Schedule KMM-1.

8 **19. Q: Have you prepared a revenue requirement forecast for the first year of the**
9 **rate increase ending June 30, 2013 for Delmarva's Delaware jurisdiction?**

10 A: Yes. A revenue requirement forecast for Delmarva's Delaware
11 jurisdiction was prepared for this case to demonstrate the effects of regulatory lag
12 during the first twelve month of the rate increase. That forecast appears in
13 Schedule WMV-18 of Company Witness W. Michael VonSteuben.

14 **20. Q: How was the revenue requirement forecast for the first year of the rate**
15 **increase ending June 30, 2013 for Delmarva's Delaware jurisdiction**
16 **prepared?**

17 A: It was prepared based on projections of Delmarva's operating results and
18 growth in rate base for the first year of the rate increase. The key assumptions
19 underlying those projections are:

- 20 1. MWH Sales (Delaware distribution) 8,313,000 MWH for the twelve months
21 ending June 30, 2013.

- 1 2. Sale of Electricity (Delaware distribution) \$159,000,000 for the twelve
- 2 months ending June 30, 2013 were projected using budgeted customers by
- 3 class and the rate per customer authorized in Docket No. 09-414.
- 4 3. Operation & Maintenance Expense (System Distribution - related)
- 5 \$166,000,000 for the twelve months ending June 30, 2013.
- 6 4. Income Taxes were calculated using currently effective income tax rates.
- 7 5. Construction Expenditures (Delmarva) \$331,000,000 for the twelve months
- 8 ending June 30, 2013.
- 9 6. Plant In Service, Accumulated Depreciation, Depreciation Expense, and
- 10 Property Tax Expense were projected based on forecasted closings to plant.
- 11 7. Cash Working Capital was projected using forecasted operating expense
- 12 activity.
- 13 8. Accumulated Deferred Income Taxes are based on projected deferred tax
- 14 activity.
- 15 9. Prepaid Pension/OPEB Liability was projected based on forecasted activity in
- 16 2011 and held constant for the first year of the rate increase.

17 The projections of operating results and rate base for the first year of the
18 rate increase prepared using these key assumptions were first directly assigned or
19 allocated to Delmarva's distribution line of business and then to the Delaware
20 jurisdiction.

21 **21. Q: Does this conclude your testimony?**

22 **A:** Yes, it does.

Delmarva Power & Light Company
Overall Rate of Return
September 30, 2011
Delaware

DPL Delaware Electric

| <u>Type of Capital</u> | <u>Ratios</u> | <u>Cost Rate</u> | <u>Weighted Cost Rate</u> |
|------------------------|----------------|----------------------|-----------------------------------|
| Long-Term Debt | 50.52% | 5.05% | 2.55% |
| Common Equity | <u>49.48%</u> | 10.75% | <u>5.32%</u> |
| Total | <u>100.00%</u> | | <u>7.87%</u> |

Schedule KMM-2

Delmarva Power & Light Company
Capital Structure and Capitalization Ratios
September 30, 2011
Delaware

| Type of Capital | September 30, 2011 | |
|---------------------------------|--------------------|---------|
| | Amount (\$) | Ratios |
| Long-Term Debt | 869,970,000 | |
| Unamortized Net Discount | (647,178) | |
| Unamortized Debt Issuance Costs | (5,164,080) | |
| Total Long-Term Debt | 864,158,742 | 50.52% |
| Common Equity | 846,272,278 | 49.48% |
| Total | 1,710,431,020 | 100.00% |

Delmarva Power & Light Company
Weighted Cost of Debt
September 30, 2011
Delaware

Schedule KMM-3

| Issue | Coupon Rate | Maturity | Offering Date | Current | | | Effective Cost Rate | Annual Net Cost |
|--|-------------|------------|---------------|------------------------------|---------------------------------|--------------------------------|---------------------|-----------------|
| | | | | Principal Amount Outstanding | Unamortized Debt Issuance Costs | Unamortized (Premium)/Discount | | |
| <u>First Mortgage Bonds</u> | | | | | | | | |
| Total First Mortgage Bonds | 6.40% | 12/1/2013 | 11/25/2008 | \$250,000,000 | \$914,977 | \$243,176 | 6.63% | \$16,501,331 |
| | | | | \$250,000,000 | \$914,977 | \$243,176 | | \$16,501,331 |
| <u>Unsecured Notes</u> | | | | | | | | |
| Total Unsecured Notes | 5.00% | 11/15/2014 | 11/19/2004 | \$100,000,000 | \$287,498 | \$152,946 | 5.12% | \$5,097,225 |
| | 5.00% | 6/1/2015 | 6/1/2005 | \$100,000,000 | \$318,288 | \$148,126 | 5.11% | \$5,086,196 |
| | 5.22% | 12/30/2016 | 12/20/2006 | \$100,000,000 | \$376,636 | \$0 | 5.30% | \$5,277,712 |
| | | | | \$300,000,000 | \$982,422 | \$301,072 | | \$15,461,133 |
| <u>Tax Exempt Fixed Rate Bonds</u> | | | | | | | | |
| Total Tax Exempt Fixed Rate Bonds | 5.20% | 2/1/2019 | 5/21/2002 | \$31,000,000 | \$619,394 | \$0 | 5.61% | \$1,704,089 |
| | 5.40% | 2/1/2031 | 4/1/2010 | \$78,400,000 | \$1,350,187 | \$0 | 5.55% | \$4,272,905 |
| | 1.80% | 6/1/2012 | 12/1/2010 | \$15,000,000 | \$117,883 | \$0 | 3.01% | \$448,314 |
| | 2.30% | 6/1/2012 | 12/1/2010 | \$16,240,000 | \$126,950 | \$0 | 3.52% | \$566,529 |
| | 0.75% | 6/1/2012 | 5/1/2011 | \$34,500,000 | \$469,186 | \$0 | 2.67% | \$909,521 |
| | | | | \$175,140,000 | \$2,683,600 | \$0 | | \$7,901,358 |
| <u>Tax-Exempt Variable Rate Bonds</u> | | | | | | | | |
| Daily | 0.65% | 10/1/2017 | 10/1/1987 | \$8,000,000 | \$62,881 | \$0 | 0.80% | \$63,340 |
| Daily | 0.65% | 10/1/2017 | 9/28/1988 | \$18,000,000 | \$56,227 | \$0 | 0.71% | \$126,918 |
| Weekly | 0.57% | 10/1/2028 | 10/14/1993 | \$15,500,000 | \$140,087 | \$0 | 0.63% | \$96,268 |
| Daily | 0.65% | 10/1/2029 | 10/12/1994 | \$30,000,000 | \$193,743 | \$0 | 0.70% | \$207,875 |
| Weekly | 0.50% | 7/1/2024 | 7/28/1999 | \$22,330,000 | \$102,085 | \$0 | 0.63% | \$140,091 |
| Weekly | 0.60% | 7/1/2024 | 7/28/1999 | \$11,000,000 | \$0 | \$0 | 0.69% | \$75,619 |
| Total Tax Exempt Variable Rate Bonds | | | | \$104,830,000 | \$555,023 | \$0 | | \$710,110 |
| <u>Medium-Term Notes Series C</u> | | | | | | | | |
| Total Medium-Term Notes Series C | 7.58% | 2/1/2017 | 2/10/1997 | \$2,000,000 | \$3,528 | \$0 | 7.65% | \$152,801 |
| | 7.56% | 2/1/2017 | 2/18/1997 | \$12,000,000 | \$21,167 | \$0 | 7.63% | \$914,370 |
| | 6.81% | 1/9/2018 | 1/9/1998 | \$4,000,000 | \$321 | \$9,399 | 6.88% | \$274,515 |
| | 7.61% | 12/2/2019 | 2/12/1997 | \$12,000,000 | \$3,043 | \$93,531 | 7.68% | \$914,015 |
| | 7.72% | 2/1/2027 | 2/7/1997 | \$10,000,000 | \$0 | \$0 | 7.78% | \$778,476 |
| | | | | \$40,000,000 | \$28,059 | \$102,930 | | \$3,034,176 |
| <u>Total Long-Term Debt Balance</u> | | | | | | | | |
| | | | | \$869,970,000 | \$5,164,080 | \$647,178 | 5.05% | \$43,608,108 |

Delmarva Power & Light Company
Effective Cost Rate
Long-Term Debt
September 30, 2011
Delaware

| Issue | Coupon Rate | Maturity | Offering Date | Original | | Expense of Issuance | Net Amount to Company | Net Amount Per Unit | Yield to Maturity |
|---------------------------------------|-------------|------------|---------------|-------------------------|-----------------|---------------------|-----------------------|---------------------|-------------------|
| | | | | Principal Amount Issued | Offering Amount | | | | |
| <u>First Mortgage Bonds</u> | 6.40% | 12/1/2013 | 11/25/2008 | \$250,000,000 | \$249,487,500 | \$1,925,105 | \$247,562,395 | \$99.02 | 6.63% |
| <u>Unsecured Notes</u> | 5.00% | 11/15/2014 | 11/19/2004 | \$100,000,000 | \$100,000,000 | \$928,224 | \$99,071,776 | \$99.07 | 5.12% |
| | 5.00% | 6/1/2015 | 6/1/2005 | \$100,000,000 | \$100,000,000 | \$853,194 | \$99,146,806 | \$99.15 | 5.11% |
| | 5.22% | 12/30/2016 | 12/20/2006 | \$100,000,000 | \$100,000,000 | \$600,000 | \$99,400,000 | \$99.40 | 5.30% |
| <u>Tax Exempt Fixed Rate Bonds</u> | 5.20% | 2/1/2019 | 5/21/2002 | \$31,000,000 | \$31,000,000 | \$1,365,870 | \$29,634,130 | \$95.59 | 5.61% |
| | 5.40% | 2/1/2031 | 4/1/2010 | \$78,400,000 | \$78,400,000 | \$1,406,618 | \$76,993,382 | \$98.21 | 5.55% |
| | 1.80% | 6/1/2012 | 12/1/2010 | \$15,000,000 | \$15,000,000 | \$264,782 | \$14,735,218 | \$98.23 | 3.01% |
| | 2.30% | 6/1/2012 | 12/1/2010 | \$16,240,000 | \$16,240,000 | \$286,091 | \$15,953,909 | \$98.24 | 3.52% |
| | 0.75% | 6/1/2012 | 5/1/2011 | \$34,500,000 | \$34,500,000 | \$703,779 | \$33,796,221 | \$97.96 | 2.67% |
| <u>Tax-Exempt Variable Rate Bonds</u> | 0.65% | 10/1/2017 | 10/1/1987 | \$8,000,000 | \$8,000,000 | \$315,360 | \$7,684,640 | \$96.06 | 0.80% |
| Daily | 0.65% | 10/1/2017 | 9/28/1988 | \$18,000,000 | \$18,000,000 | \$270,107 | \$17,729,893 | \$98.50 | 0.71% |
| Weekly | 0.57% | 10/1/2028 | 10/14/1993 | \$15,500,000 | \$15,500,000 | \$275,796 | \$15,224,204 | \$98.22 | 0.63% |
| Daily | 0.65% | 10/1/2029 | 10/12/1994 | \$30,000,000 | \$30,000,000 | \$440,787 | \$29,559,213 | \$98.53 | 0.70% |
| Weekly | 0.50% | 7/1/2024 | 7/28/1999 | \$22,330,000 | \$22,330,000 | \$669,900 | \$21,660,100 | \$97.00 | 0.63% |
| Weekly | 0.60% | 7/1/2024 | 7/28/1999 | \$11,000,000 | \$11,000,000 | \$220,000 | \$10,780,000 | \$98.00 | 0.69% |
| <u>Medium-Term Notes Series C</u> | 7.58% | 2/1/2017 | 2/10/1997 | \$2,000,000 | \$2,000,000 | \$15,000 | \$1,985,000 | \$99.25 | 7.65% |
| | 7.56% | 2/1/2017 | 2/18/1997 | \$15,000,000 | \$15,000,000 | \$112,500 | \$14,887,500 | \$99.25 | 7.63% |
| | 6.81% | 1/9/2018 | 1/9/1998 | \$33,000,000 | \$33,000,000 | \$247,500 | \$32,752,500 | \$99.25 | 6.88% |
| | 7.61% | 12/2/2019 | 2/12/1997 | \$12,000,000 | \$12,000,000 | \$90,000 | \$11,910,000 | \$99.25 | 7.68% |
| | 7.72% | 2/1/2027 | 2/7/1997 | \$30,000,000 | \$30,000,000 | \$225,000 | \$29,775,000 | \$99.25 | 7.78% |